

Foster Death - Folder #2

186 GJb67c

SCREENED
By *ds* Date 3/17/2010

TELECOPY COVER SHEET

OFFICE OF THE INDEPENDENT COUNSEL
1001 Pennsylvania Avenue, N.W., Suite 490N
Washington, D.C. 20004
telephone (202) 514-8688 facsimile (202) 514-8802

Date: _____

TO: Hick Ewing

Company Name: _____

Fax Number: _____ Telephone Number: _____

FROM: Brett Kavanaugh

Number of Pages: 15 (including this cover sheet)

Message: Here are some of the
VWF Travel Office notes +
papers, incl. all references
to HRC

CONFIDENTIALITY NOTE

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06

1st discussion - attempt to reconstruct
go to see re HC, ^{enter press} half-viability possibly
Q - when will ^{HC} analysis be finished

~~To the effect what's going on w the TOL off thing~~
~~Are you on top of it~~

DK whether brought up mgment or wrongdoing
or both | or she brought up mgment and I brought up wrongdoing | or she brought up guilt topic and I brought up 2 segments | or just wrongdoing
What's going on? Are you on top of it?
Trying to determine if there is ^{actual} wrongdoing

Assigned to WK

~~guilt impatience (wrong word)~~

guilt frustration - I responded just ~~we~~ heard about it yesterday
Prob made me made at criticism and frustrated w auditors

Q did H^T say anything?

2nd conv

HCare?

What's going on

will use outside auditors - lets see what's there

guilt frustration w mgment diff

I understand - understaffed

(Thought more of a combination of
mgment concern, HC resolution problems
guilt frustration, prob aggravated by
guilt)

2 conversation w/ HRC on Thurs

1ST after late lunch

go to see her re med malpractice issue

- could be on viability of enterprise liability
(was conducting analysis of proposed reforms)

Q - how trl office come up?

Eq, do you know anything re ^{any} problems w/ trl office
or I've heard something about " " " "

told her had some (soft?) info, assigned to WK

Q - anyone else present

don't recall

When SS in hall & door open I go in

sometimes ^{other} persons present, sometimes not

2d conv

also re malpractice study

(possibly re alternative study)
on enterprise liability - do liability w/ a.o.s. w/s

mentioned auditor plan

- Q - personal vs telephone?
- Q - when? where?
- Who called whom?

Friday

in discussion w/ DW need to late afternoon
pass on Eller / MFL meeting

+ discussion w/ Eller in afternoon that
DW would decide how to respond to
results of mvr and when

- believe DW has brief update on audit from PT, which is serious

Suggest, in light of HRC inquiry
previous day, DW might want to update her on audit
results

(try to conf. call but lose him)

[by this time what is status of mvr report?

by 33501A # none (UBTS 16370) DocId:70105774 Page 55 discrepancy
CKS



In discussion w/ MM, PT, EDW on Thurs afternoon

f/or w/ PT, DW Thurs nite

S/or w/ " " Fri

w/ PT Sat am

could have discussed gen'l observation that HRC
generally appeared less than satisfied with
timeliness of decision-making, i.e. closure

Never discussed w/ anyone anytime prospect HT
would directly or indirectly benefit, never a possibility
in my mind given his disclaimed w/d of/for person.



What are theories of complaint?

1. Wrongful termination*

how can there be a right to term. w/o cause?

Maybe terminating w/o cause while asserting it is for cause (c.k. talking pts) - believed Dale was terminating on management basis, incompatible + downing office (memo to back up down to 3)

2. Slander, particularly by error

(Contrary to advice, H no party)

3. Attempting to benefit friends?

a) H.T.? - contrary to his rep.

b) CC? - not knew she a cousin, no reason to assume she would get any increase in pay.

* No choice but to terminate Dale

can't continue to let him handle money, run office given findings

4. Measure of FBI?

they deny

HR no role



F 000154

363-3020

Rowland Pl

Coordination -

BWN

? respond to future

at 34th - becomes Remo@Porter

Rowland only to Pt

Ed on left

WA packet

3321

defend mgement decision
thereby defend HRC role whatever is
was in fact or might have been

unperceived to be

A) Harry memo -
Darnell
people's

Bob Bennett

John Culver, Ward F

Bill Taylor, Zuckerman (Crawton)

Q-assignment of HT

Offense strategy

Hill
GAO

Avoid forcing DOJ

BWN Guidance



Privileged
in Prep for litigation

1. Authority to hire
independent contractor
procurement
SGE

2. Reporting

3. Internal ethics
- collateral decisions, eg PIC resignation timing

4. Privileges
A. Pre-release; waiver
B. Post-release

5. Communications by joint defense
- application to Bernice speaking for WH

6. Witnesses by virtue of participation in mgmt review

* 7. Personnel decisions

13. Does everyone who edited report become a witness
- existence of drafts

8. Attendance at WH interviews by FBI

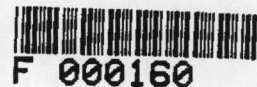
9. Accumulation of add'l evidence
eg HT tapes
News + WH office
news file

14. Difficulty of operating
prep w/ 3-4 WS in office

10. Offense
Kill strategy
88 invN
request to Archives

11. Communications of top 2

12. Ostron FOIA # none
vs whistleblower



Privileged
in antitrust litigation

6/30/3

Podesta mtg in my office:

Watkins says he never talked to HEC before Friday evening; had received prior info about her interest from me

MM is vague in memory when he talked to her but (DW or MM?) believes she first mentioned it to MM shortly before the mtg w/ MM, DW & VF on Thurs afternoon

I told John that after a late lunch on Thurs I spoke w/ HEC - was primarily working on medical malpractice project at time and could have been in discussion re same. She was aware of some assertions of impropriety in the office and wanted to know what was being done about it. I related I had given to Kennedy an oral security officer

I related I had a later discussion on Thurs (evening?) also may have included health care FOIA # none (URTS 16370) DocId: 70105774 Page 10 were being used and probably told her they would

The Foster notebook scandal

By Mark R. Levin

Thanks to a Justice Department memorandum leaked to the press earlier this week, we now know the White House failed to provide federal investigators with Vincent Foster's 70-page notebook on the travel office scandal. Sounds like the makings of an obstruction of justice case to me. Perhaps the president, or his Mrs., will take a moment from their busy schedules to explain this little "oversight."

But there's more than the issue of obstruction, as important as that is. The former director of the White House travel office, Billy Dale, has been indicted by the Clinton Justice Department and is facing trial next month on charges of embezzlement. Mr. Dale has claimed from the beginning that 10 years of petty cash records, and records showing how he spent the petty cash, are missing. They disappeared, he says, when Clinton business cronies and a distant relative, Catherine Cornelius, invaded the travel office, took it over, and fired all the employees — including Mr. Dale.

By withholding the Foster notebook, the White House concealed its existence not only from the Justice Department investigators, but also from Mr. Dale and his attorneys. In other words, the White House was fully prepared to watch Mr. Dale, who faces possible imprisonment should he be convicted of the charges, go to trial while it sat on potentially exculpatory — or at least relevant — evidence contained in the notebook. This outrageous conduct may have been too much for Abner Mikva, whose short tenure as White House counsel ended with

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his resignation yesterday.

Not until approximately late July of this year — after two years of White House stonewalling — did the Justice Department receive the Foster notebook. Mr. Dale's attorneys then demanded that the Justice Department provide them a copy. Just two months before the trial, in mid-August, did Mr. Dale finally get a copy.

There are several entries in Mr. Foster's notebook that may have relevance to Mr. Dale's claim that records were removed and possibly

By withholding the Foster notebook, the White House concealed its existence not only from the Justice Department investigators, but also from Mr. Dale and his attorneys.

tampered with by White House officials. Referring to Catherine Cornelius, Mr. Foster wrote the following at various places in the notebook:

"CC [Cornelius]... [h]as copies of some records." "[Leave] for haircut appointment [with] agreement CC [Cornelius] will return with whatever 'evidence' she has, for further interview — she reveals they are at home, will fetch." "[T]ake possession of documents as evidence." "[P]ossession of documents."

Moreover, there are several notebook entries that seem to point to Harry Thomason — a close Clinton friend and, significantly, a partner in

an air charter service that was seeking White House Travel Office business at the time — as the original source of the criminal accusations against Mr. Dale. Mr. Foster shows concern about the legitimacy of Mr. Thomason's charges. Consider the following Foster notations:

"[D]iscussion with HT [Thomason] [regarding] strength of kickback allegation." "HT [Thomason] related vague story of 3rd party kickbacks/5% — vague."

The Travelgate saga has been with us now for more than two years. It is a significant scandal that comes down to this: Did the Clintons and their friends, including Harry Thomason, use the FBI and the Justice Department to discredit travel office employees in order to throw business to Mr. Thomason's air charter company?

The fact is that every review and investigation of this affair — from the White House's Management Review to the General Accounting Office's probe — proves the first lady was interested in, had knowledge of, and was involved in Travelgate at some significant level. Mr. Foster's notes underline her involvement, and his desire to protect her. Nonetheless, since the first months of the Clinton presidency, when this scandal broke, Mrs. Clinton — who happily discusses matters from health care to China with little prodding — has refused to explain her role in this scandal to the public.

I don't now, of course whether Mr. Dale embezzled funds. I do know, however, that for two years, the Clinton White House concealed from its own Justice Department and, more importantly, Mr. Dale's attorney's, relevant information relating to Mr. Dale's defense. All the president's men were prepared to remain silent while a citizen of this country was fighting for his liberty on a court of law.

REVIEW & OUTLOOK

Who Is Jack Quinn?

We explained yesterday that the resignation of White House Counsel Abner Mikva came as controversy again swelled over documents the White House withheld from investigators. Now let us introduce his replacement, John M. "Jack" Quinn, a man who believes the trouble in the White House is that former Counsel Bernard Nussbaum was too forthcoming with investigators.

The newly appointed counsel, it turns out, has already been deposed by Congressional investigators looking into the Whitewater mess and the handling of the papers in Vincent Foster's office. Mr. Quinn describes a conversation in which he was dispatched by then Chief of Staff Thomas "Mac" McLarty to find out how Mr. Nussbaum intended to handle the search of the Foster office. Mr. Quinn reports that he objected to Mr. Nussbaum's plans to accommodate the investigators. He said Park Police investigators should not be allowed in the Foster office until the White House Counsel's office had vetted everything there.



Jack Quinn

In the event, Mr. Nussbaum compromised between Mr. Quinn's absolutist viewpoint and the needs of investigators by having the Park Police stand in the corner while he reviewed the documents. It worked fine, Mr. Quinn reported Mr. Nussbaum telling him afterward. Evidently so, since the long-distance scrutiny of the Park Police did not prevent the White House from concealing from investigators Mr. Foster's handwritten notebook on the Travel Office scandal, taken from his briefcase during the search.

The most recent controversy concerned 907 pages of withheld documents identified by Rep. William Clinger's Committee on Government Reform and Oversight. Yesterday Chairman Clinger reached agreement with Mr. Mikva on a schedule for delivering most of the remaining documents.

After Mr. Quinn takes over Nov. 1, he will carry his absolutist views into such discussions; indeed, we have no doubt that's why he's been named to the post. We hope the celebrated Confederate general wouldn't mind if we appropriate his nickname for Stonewall Quinn.

The first three Clinton White House counsels—Mr. Nussbaum, Mr. Mikva and Lloyd Cutler—had each built distinguished careers in the law. Mr. Quinn is a long-time partner in Arnold & Porter, and also obviously a political animal to his core. He's been adviser to numerous Democratic political candidates, and a participant in many of the political meetings at the current White House. He is precisely the kind of man you might want on a sensitive mission such as talking to Mr. Nussbaum the morning of the office search, or tending the White House Counsel's office as an election year approaches.

"It was not unusual for McLarty to have asked me to take on special assignments. This had happened on other matters," he explained to questioners who asked why he was sent to Mr. Nussbaum. Indeed. As he prepares to become the top White House lawyer, Whitewater investigators might want to ask what special assignments he may have undertaken in the fall of 1993, when the Whitewater story was starting to break in earnest.

Below, for example, we have an extract of the incoming message log of Webster Hubbell, then Associate Attorney General and now a convicted felon. Jim Lyons, the Denver lawyer who managed to bury the Whitewater issue during the Presidential campaign, called the number-three official of the Justice Department, instructing him to bring documents to a lunch with White House aide Jack Quinn. Mr. Lyons further left word that he was meeting with Presidential confidant Bruce Lindsay.

We of course have no idea what documents were being passed from the Justice Department to the White House to the Whitewater defense ex-

pert, or Hubbell-to-Quinn-to-Lyons. We do know that date of Mr. Lyons's call, October 27, 1993, was the same date that Paula Casey, the Clinton's hand-picked U.S. Attorney in Little Rock, rejected the first criminal referral concerning the Arkansas political elite's involvement in Madison Guaranty Savings & Loan.

We inquired about this yesterday, and White House spokesman Mark Fabiani reported that Mr. Quinn did recall the lunch, that it was social, and that he neither saw nor discussed any documents that Mr. Hubbell might have had with him. Mr. Fabiani added that Mr. Hubbell did pass documents to Mr. Lyons, and noted that in the past Mr. Hubbell had said they were related to Whitewater.

Perhaps Mr. Quinn could also be asked about a series of phone calls to Webster Hubbell on December 20, 1993, at the same time Mr. Hubbell was taking calls

To: Julius K
Date: 10/27 Time: 5:35

WHILE YOU WERE OUT

M: Jim Lyons

of _____

Phone: _____

Area Code	Number	Extension
TELEPHONED		PLEASE CALL
CALLED TO SEE YOU		WILL CALL AGAIN
WANTS TO SEE YOU		URGENT
RETURNED YOUR CALL		

Message: Did not get up Bruce Lindsay if you need to reach him.

Suggest you take documents he needs to look @ if you tomorrow when you meet Jack Quinn for lunch.

— WOOD LUNCH — AND CARROLLS

from the Foster's personal attorney, Mr. Foster's widow, and others. Simultaneously, the Clintons' personal lawyer, David Kendall, was requesting that Justice issue a subpoena for Foster documents that had been turned over to him, meeting the letter of the law while effectively walling them off from public view.

We look forward to getting to know Mr. Quinn better, and we hope our feeling is shared by the relevant committees on Capitol Hill.



FOR IMMEDIATE RELEASE:

October 4, 1995

For further information or interviews, contact Joseph Farah, executive director of the Western Journalism Center, at (916) 852-6300

'60 Minutes' Examines Foster Death This Sunday

Christopher Ruddy's investigative reporting on the death of Vincent Foster will be the subject of a CBS "60 Minutes" segment with Mike Wallace. The program will air at 7 p.m. this Sunday, October 8.

Ruddy, a journalist with the Pittsburgh Tribune-Review, has been the lone American reporter investigating the cover-up involving the late White House deputy counsel's death on July 20, 1993. Ruddy first broke the story of suspicions police and emergency workers had of Foster's death when they arrived at the death scene at Fort Marcy Park.

In addition to the Foster story, Ruddy has broken a number of stories relating to the Whitewater case, including the resignations of two prosecutors from the staff of Independent Counsel Kenneth Starr and the details of the indictments of Jim and Susan McDougal.

Starr's probe of the death continues, with investigators recently conducting a third search in Fort Marcy Park for the bullet which killed Foster. House and Senate committees are also looking into the Foster case.

#

The Washington Times

DATE: 10-3-95PAGE: A-18

Agents raking park for Foster bullet

By Jim Keary
THE WASHINGTON TIMES

FBI agents assigned to the Whitewater investigation have literally torn apart portions of Fort Marcy Park in their continuing search for the bullet that killed former White House Deputy Counsel Vincent W. Foster Jr.

The agents have been in the small roadside park in Northern Virginia since Sept. 12 conducting an ever-widening search of the park's grounds, where Mr. Foster's body was found on July 20, 1993. His death has been ruled a suicide.

They originally began working on an earthen berm on the northern end of the park where the body was discovered, setting up search grids using orange stakes and string.

The agents have since worked their way about 200 feet down the

hill from that site, clearing most of the underbrush along the way, and are now working along the eastern boundary of the park near Chain Bridge Road.

The park has been closed to the public since the search began and reporters have had to observe the search from a distance.

"It appears as though they're trying to conduct a thorough search to eliminate any controversy," said U.S. Park Police Maj. Bob Hines. "I think they are covering all the bases."

The agents involved in the search are detailed to Whitewater independent counsel Kenneth W. Starr. His spokeswoman, Debbie Gershman, would not comment on the progress of the search because the investigation is "active and ongoing."

Maj. Hines said the bullet fired from an Army-issued .38 special

could be anywhere. It could have even lodged in a tree, he said.

"As soon as it hits something the bullet can tumble and go in any direction," he said.

Mr. Foster was shot in the mouth and the bullet exited through the rear of his skull while he was seated on the edge of the berm which was once the northern wall of the Civil War-era fort.

Park Police concluded Mr. Foster killed himself in the park, but his death remains a part of Mr. Starr's inquiry into the Whitewater real estate investment of President and Hillary Clinton. He was a close friend of the Clintons' and a partner of the first lady's at Little Rock's Rose Law Firm.

Mr. Foster was handling personal legal work for the Clintons at the time of his death, including tax matters for Whitewater Development Corp.



F 000161

re: [unclear]

[unclear] - [unclear]

I told him I may have had ^{a few} short, unstructured non-substantive discussions subsequently to pass on my understanding from DW of status, which changed [unclear]

After discussing other issues, we mutually exchanged views that HRC is perceived as being involved in decision ^{and events} in which she has no participation [unclear]

Subsequently talked to [unclear], asked if he had taken a position in interviews whether he was aware of FBI contact before termination. He said he had not been asked (Podesta told me same). I reminded him of [unclear] discussion re use of outside auditors and holding off FBI. He said he had some recollection and if it [unclear] he was sure it was true. That he didn't believe he had been told in advance of contact (I agreed) but if we had come to him he is not sure that he would have approved contacting them, "not sure I would have caught it."

[unclear] [unclear] (5 pages) [unclear]

[unclear] [unclear] [unclear]

[unclear] [unclear] [unclear]

about \$470,000 in the first year of cuts. It even cities a li-

Let Vincent Foster rest

An investigation into the 1993 death of deputy White House counsel Vincent Foster is "active and ongoing," according to one of Whitewater special prosecutor Kenneth Starr's deputies.

Why? Foster's death has already been investigated twice, and ruled a suicide twice — once by the special prosecutor's office.

Yet, this week Starr had FBI agents conduct a third search of the Washington-area park where Foster's body was found, looking for the bullet fired from the gun that killed him. The bullet couldn't be found immediately after Foster's suicide, and a systematic search last year by the FBI yielded 12 modern-day bullets — none from Foster's gun.

There will always be people who believe that William Shakespeare didn't pen those famous lines, that Marilyn Monroe was killed because she knew too much, and that foreign agents have implanted computer chips in Americans' buttocks.

But legends are for telling around campfires and for generating TV ratings, not for justifying wasteful spending of taxpayers' money or for wasting FBI time.

The Foster legend — the source is hard to pin down, but all roads lead to the Republicans — is that President Clinton's boyhood friend and trusted confidant was murdered and that it had something to do

with his duties at the White House. Or, at least, Foster really committed suicide in the White House parking lot and staffers moved his body.

Here's a more likely scenario:

Foster was a perfectionist. He graduated first in his law-school class and received the top score on his state bar exam. He couldn't accept failure or criticism. When his handling of some White House matters was severely criticized in public, he became depressed and despondent.

He decided to leave the White House. But he was under a doctor's care for depression, and feared that nobody would hire a failed lawyer whose medical history included mental-health problems. That would cause his wife and children to suffer financially, and to lose social status.

But, Foster held a life-insurance policy that would pay off if he committed suicide. He mailed a premium payment one day, to make sure things were up to snuff. The next day, he left his White House office at 5:45 p.m., drove around while working up his nerve, stopped at a secluded spot, put a gun into his mouth and fired.

That's exactly how Foster's wife, Lisa, believes that it happened, and what previous investigations have verified.

Anything else is just legend.

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Cons

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par
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cia

9/23/95

Action on Foster notes defended

The Associated Press

WASHINGTON — The White House released portions of a letter Friday showing it did not specifically tell Whitewater prosecutors in writing about Vince Foster's handwritten notes on the travel office controversy.

A week after Whitewater prosecutors concluded the travel office controversy was a factor in Foster's depression before his 1993 death, the White House letter told prosecutors only that there was a file of Foster travel office material.

The letter, written July 5, 1994, at the direction of then-White House counsel Lloyd Cutler, did not specify that the file contained dozens of pages of Foster's handwritten notes. Some of the notes made ref-

erences to Hillary Rodham Clinton and others to meetings with people on the travel office matter.

Robert Fiske, then the Whitewater prosecutor, didn't ask for the file. Nor did anyone in his office. Fiske's successor, independent counsel Kenneth Starr, obtained the file in April of this year. Foster was deputy White House counsel when he committed suicide July 20, 1993.

In an interview, Cutler called the July 1994 letter "adequate notification."

"If they wanted the files, they were available," Cutler said.

A section of the 1994 letter states that "after the release of your report" on Foster's death, "we discovered that three of Foster's

files had been left off" an inventory list of what had been in Foster's office.

The letter said one of the three files was marked "White Travel Office." The other two were marked War Powers and Renovation/Oval Office and Executive Residence.

The White House letter refers to a conversation on the matter earlier that day between its author, then-deputy counsel Joel Klein, and the recipient, Mark Stein of the Whitewater prosecutor's office.

Klein's lawyer, David Boyd, said Klein had made an "adequate disclosure" to Stein, but Boyd declined to say whether Klein identified Foster's handwritten notebook. Stein declined to comment when contacted this week.

BOB DOLE
KANSAS



United States Senate

OFFICE OF THE REPUBLICAN LEADER

WASHINGTON, DC 20510-7020

July 13, 1993

EXECUTIVE SECRETARIAT

93 JUL 13 P 3:11

RECEIVED
DEPARTMENT OF JUSTICE

The Honorable Janet Reno
Attorney General of the
United States
U.S. Department of Justice
Washington, DC 20530

Dear Attorney General Reno:

After reviewing the White House Travel Office Management Review (the "White House Report"), I am more convinced than ever of the need to conduct an independent investigation into the entire Travel Office affair.

I am, therefore, writing to urge you to appoint a special counsel to conduct a thorough review of the events leading up to the firings of the Travel Office employees and the possible White House manipulation of the Federal Bureau of Investigation and the Internal Revenue Service to justify these firings. As you know, you have the legal authority to appoint a special counsel. See 28 U.S.C. 533. There is also precedent for this approach. Most recently, former Attorney General William Barr appointed special counsels to investigate the House Bank scandal and the Inslaw case.

The White House Report raises a number of disturbing questions that merit close scrutiny:

1. Did Harry Thomason, a partner and one-third owner of Thomason, Martens & Richland ("TMR"), an airline charter company that sought business from the Travel Office, violate 18 U.S.C. section 208, the federal conflicts of interest statute? As you know, Section 208 prohibits government employees and "special government employees" from taking actions on matters in which they may have a financial interest.

The White House Report itself suggests that Thomason may qualify as a special government employee. According to the White House Report, Thomason "had been asked to consult on the staging of presidential events and was provided with an access pass of the kind issued to staff, allowing him open passage throughout the White House complex. He was permitted temporary use of an office in the East Wing (White House Report, p. 6)." Thomason's presence in the White House was such an accepted part of daily life there, that "[n]o one objected when he began looking into the affairs of the Travel Office, which clearly extended beyond what he was originally asked to do (White House Report, p. 21)."

The White House Report also suggests that Thomason took



specific actions that would benefit TMR. For example:

- * In early February, Thomason telephoned White House Press Secretary Dee Dee Myers and asked whether the White House charter company business was subject to competitive bidding. Myers assumed that it was, and Thomason told Darnell Martens, his business partner in TMR, to contact Myers (White House Report, p. 5).
- * In late March, Thomason mentioned to President Clinton himself that "he thought there was trouble in a White House department having to do with travel...(White House Report, p. 5)."
- * In early April, Thomason telephoned David Watkins, the Director of the White House Office of Administration, and told him that he had heard allegations about corruption in the Travel Office (White House Report, p. 6).
- * On May 10, Thomason asked Watkins about the status of the Travel Office. Watkins said that he had placed a staff assistant, Catherine Cornelius, in the Travel Office. Following his meeting with Thomason, Watkins called Cornelius to ask her to meet with Thomason. Thomason then asked Martens to fax his February memo on the Travel Office to the White House (White House Report, p. 6).
- * On May 12, Thomason met with Watkins, Cornelius, Deputy White House Counsel Vincent Foster, and Associate White House Counsel William Kennedy, to express concerns about the Travel Office (White House Report, p. 7)
- * On May 17, Watkins wrote a memo to White House Chief of Staff Thomas McLarty in which he stated that review of the Travel Office "was accelerated in response to the urgings of Harry Thomason and Catherine Cornelius (White House Report, p. 10)."

Even the White House Report admits that Thomason acted inappropriately. It states that "Thomason should have avoided continued involvement in a matter in which his business partner and his friends in the charter business stood to benefit and in which there was an appearance of a financial conflict of interest (emphasis added)." White House Report, p. 21. Some might suggest that Thomason's actions involved an actual conflict of interest, rather than the appearance of one, and that Thomason himself stood to benefit as well, not just "his business partner and his friends in the charter business."

2. After the dismissal of the Travel Office employees, did the hiring of World Wide Travel to run the Travel Office on an interim basis violate any ethical or legal standards? I have been informed that World Wide is owned, in part, by Worthen Bank. Worthen is a client of the Rose Law Firm of Little Rock.

07/13/93

13:01

WICHITA - 6334371

NO. 873

004



Kennedy, Foster, Associate Attorney General Webster Hubbell, and the First Lady are all former partners of the Rose Law Firm. It is also my understanding that World Wide Travel is a former client of Watkins.

3. Did the White House staff or others in the executive branch exert pressure on the IRS to initiate an investigation of Ultrair, the airline charter company that formerly did business with the Travel Office? The White House Report admits that Kennedy threatened to go to the IRS, if the FBI did not act on the Travel Office matter immediately. See White House Report, p. 17. According to the White House Report, Kennedy also indicated in his conversations with the FBI that the Travel Office matter was "being directed or followed at the highest levels of the White House." See White House Report, p. 8. Although the White House Report denies any direct White House contacts with the IRS about the Travel Office, were any indirect contacts with the IRS made by other members of the executive branch?

4. Did any action taken during the Travel Office affair violate 18 U.S.C. section 600? As you know, this statute prohibits anyone from promising employment, compensation, or other benefit to any person as a reward for political activity.

5. Did the FBI act properly in its response to the White House request for an investigation into potential wrongdoing in the Travel Office? According to a letter to me from FBI Director William Sessions, dated June 28, 1993, the FBI determined that there was "sufficient predication to initiate a criminal investigation" into the Travel Office on May 14, one day after FBI agents first met with White House officials on the matter and five days before the Travel Office employees were publicly fired.

According to the Sessions letter, the FBI and the Justice Department did not rely at all on the findings of the Peat Marwick auditors, who began their work on May 14. Instead, it appears the FBI concluded that there was "sufficient predication to initiate a criminal investigation" based solely on a series of conversations and meetings with Kennedy, Foster, and Cornelius, who at no time revealed her own interest in the Travel Office. The FBI officials who participated in these meetings are some of the highest-ranking officials in the Bureau--Unit Chief Howard B. Apple, Interstate Theft/Government Reservation Crimes Unit; Unit Chief Patrick J. Foran, Safe Streets/Policy and Planning Unit; and Unit Chief Richard B. Wade.

Do the FBI and the Justice Department normally act so quickly in determining that a criminal investigation should be initiated--in this case, just one day after the first face-to-face meeting with White House officials? Is it standard practice for three FBI Unit Chiefs to involve themselves directly in the decision-making process leading up to a criminal investigation, particularly when the potential "crime" involves some lax accounting procedures and a relatively minor sum, \$18,000 in



unaccounted-for petty cash vouchers? Wouldn't criminal allegations of this nature normally be handled by non-supervisory personnel in the FBI's Washington Metropolitan Field Office?

Finally, I would like to take this opportunity to express several additional concerns.

First, the White House Report states that Kennedy initiated contact with the FBI about the Travel Office by telephoning Jim Bourke, an FBI agent with whom he had daily contact on background checks. At the time of the telephone call, the White House Report claims that the White House had a policy in place regulating White House involvement in pending criminal matters, but that it had no policy for dealing with potential criminal matters, such as potential criminal wrongdoing in the Travel Office. The White House Report argues that Kennedy's initial contact with Bourke violated no policy.

With respect to White House policy for pending criminal matters, the White House Report cites a memorandum, dated February 22 and prepared by White House Counsel Bernard Nussbaum, providing that inquiries about criminal matters "will be transmitted by the Counsel's Office to the office of the Attorney General and the Deputy Attorney General." See White House Report, p. 16.

As one of its proposed "reforms," the White House Report cites a new policy providing that "all contacts concerning ongoing FBI investigations or possible criminal activity will occur only between Counsel's Office and the Attorney General, the Deputy Attorney General, and the Associate Attorney General (emphasis added)." See White House Report, p. 23.

In my view, adding Associate Attorney General Webster Hubbell to the list of those whom the White House Counsel's Office may permissibly contact on criminal matters is a mistake. Quite simply, it suggests the potential for more politics rather than less. As you know, Foster, Kennedy, and Hubbell are all former partners of the Rose Law Firm of Little Rock. They have a prior, independent relationship that could lead to the perception that political considerations will play a role in contacts between the Counsel's Office and the Justice Department.

Second, the White House Report states that the "former Travel Office employees were not interviewed because the Attorney General expressly requested that we refrain from doing so. (See letter from Deputy Attorney General, Exhibit A)." The letter from Deputy Attorney General Philip Heymann to John Podesta, an Assistant to the President, is dated July 1, 1993, the day immediately preceding the release of the White House Report on July 2. Surely, you or someone else within the Justice Department had conveyed your concerns about interviewing the



Travel Office employees before July 1. If not, I would appreciate learning why you delayed communicating these concerns until July 1. I think it's fair to assume that the White House Report had been substantially completed by that date. Quite frankly, the letter appears to be an after-thought, solicited by the authors of the White House Report to justify why they had not interviewed the Travel Office employees as part of their internal investigation.

Third, my office recently contacted John Collingwood, the FBI's Director of Congressional and Public Affairs, to request a meeting to clarify some of the points raised by FBI Director William Sessions in his letter to me of June 28, 1993. My staff subsequently received a telephone call from a Mr. Joseph Graupensperger, an Attorney-Advisor in the Justice Department's Office of Legislative Affairs. In this call, Mr. Graupensperger stated that Collingwood would meet with my staff, but that the meeting would be a "one-shot deal" and that the Justice Department "did not intend to send FBI agents to the Hill."

Quite simply, I consider Mr. Graupensperger's comments to be unreasonable, if not outrageous. As Director of the FBI's Office of Congressional and Public Affairs, Collingwood is responsible for fielding inquiries from Congressional offices about FBI matters. That's his job. I also find it highly irregular that three FBI Unit Chiefs and several other FBI agents would be sent to the White House to investigate a matter involving \$18,000 in unaccounted-for petty cash vouchers. Yet, when my staff requests a meeting to clarify some ongoing correspondence between myself and the FBI Director, we are told it's a "one-shot deal" and that no further help will be forthcoming.

I would appreciate being informed if Mr. Graupensperger was acting on behalf of someone else in the Justice Department. I would also appreciate knowing if Mr. Graupensperger was acting pursuant to either a formal or informal Justice Department policy.

Attorney General Reno, thank you for your prompt consideration of this request. I look forward to hearing from you soon.

Sincerely,

BOB DOLE

BD/ds

The Washington Times

DATE: 9/16/95
PAGE: A14

✓ Schiff reviews Foster probe

By Karen MacPherson
ALBUQUERQUE TRIBUNE

At the request of House Speaker Newt Gingrich, Rep. Steven H. Schiff, New Mexico Republican, is reviewing documents on the death of top White House aide Vincent W. Foster Jr.

Mr. Schiff won't talk about the inquiry, referring all questions to Mr. Gingrich or House Government Reform and Oversight Committee Chairman William F. Clinger, Pennsylvania Republican.

But Mr. Gingrich stated publicly on CNN's "Late Edition" in August that he had launched a review of the July 1993 death of Mr. Foster.

Mr. Gingrich, Georgia Republican, said he wanted the review because he wasn't convinced Mr. Foster's death was a suicide.

"I have ... asked Bill Clinger ... to locate a member who's been a prosecutor, who's had experience in dealing with these kinds of issues, and to go back and review every allegation and then decide whether or not we need to go into a full, serious investigation," Mr. Gingrich said.

Mr. Clinger's aides have told reporters that their boss tapped Mr. Schiff, the former Bernalillo County, N.M., district attorney, for the job.

Mr. Schiff apparently is reviewing all official documents in the case, as well as news articles.

Two previous criminal investigations have concluded that Mr. Foster committed suicide, but the deputy prosecutor in the Whitewater investigation said Thursday that his office's investigation of Mr. Foster's death is "active and ongoing."

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THE WASHINGTON TIMES

Date: 9/16/95
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Title: POZARK
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Character: FIF
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Classification: 29D-LR-35063 SUB
Submitting Office: LR D

Indexing: _____

The Washington Times

DATE: 9/16/95
PAGE: A1

FBI fires shot in search for Foster bullet

Ballistic tests in park exceed '93 efforts

By Jim Keary
THE WASHINGTON TIMES

FBI agents again descended on a Northern Virginia park yesterday and conducted the most extensive ballistic and trajectory tests to date in the search for the bullet that killed Vincent W. Foster Jr.

About 11 a.m., four agents assigned to the Whitewater investigation entered Fort Marcy Park, just off the George Washington Parkway, with a box marked "evidence." Thirty minutes later, a

gunshot echoed through the park, and the smell of gunpowder floated toward the park's eastern edge.

It was not certain whether the agents were using the .38-caliber revolver found next to the White House deputy counsel's body.

The tests conducted yesterday far exceed those undertaken in the days after the body was found July 20, 1993.

Maj. Robert Hines, the U.S. Park Police commander, who was involved in the 1993 investigation, said his officers searched the area carefully, but not as thoroughly as the FBI.

"That normally wouldn't be done in a suicide. We were out there with metal detectors, but we didn't do any ballistics test like that," Maj. Hines said. "What they're doing is far beyond the economics of a suicide."

Agents yesterday even checked treetops near where Mr. Foster's body was found, apparently looking for the bullet. One agent was hoisted into the trees in a cherry picker.

"If they're going to find the bullet, it will have to be in the trees because of the trajectory of the bullet," Maj. Hines said. "If it's not in the trees, it's 100 yards away."

Yesterday was at least the third

day FBI agents have been in the park and the fourth day the park has been closed at least part of the day. Maj. Hines said he does not know how long the agents will work in the park.

Since the FBI agents hit Fort Marcy Park on Tuesday, they have worked at the northern end, where Mr. Foster's body was found. It appears they have set up grids and possible bullet paths with string tied between orange plastic stakes.

During the original search, Park Police found a variety of Civil War bullets, buttons and other debris, but not the bullet that killed Mr. Foster. Fort Marcy guarded Chain Bridge during the Civil War.

FBI agent Susan Lloyd, spokeswoman for the bureau's Washington field office, confirmed yesterday that the agents working at the park are detailed to Whitewater independent counsel Kenneth W. Starr. She said she had no information about the work in the park.

Deputy independent counsel John Bates could not be reached yesterday. On Wednesday he said he could not comment about the search at Fort Marcy Park because the investigation continues.

Park Police concluded that Mr. Foster killed himself in the park, but his death remains a part of Mr. Starr's inquiry into the Whitewater real estate investment of President and Hillary Clinton. He was a close friend of the Clintons' and a partner of the first lady's at Little Rock's Rose Law Firm.

Mr. Foster was handling personal legal work for the Clintons at the time of his death, including tax matters for Whitewater Development Corp., a northern Arkansas real estate venture owned by the Clintons and James B. McDougal, owner of Madison Guaranty Savings and Loan Association, and his wife, Susan.

The Whitewater venture and Madison are the major targets of the Starr investigation.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

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ARKANSAS DEMOCRAT-GAZETTE
Little Rock, Arkansas

Date:
Edition:

9/25/95

Title: MOZARK;
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Character: FIF
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Classification: 29D-LR-35063 SUB D
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Indexing:

Magnate keeps eye on Foster case

Pittsburgh millionaire's family dealt with high-profile suicide in '70s

BY KATHY KIELY
Democrat-Gazette Washington Bureau

PITTSBURGH — Famous for its three, now relatively unpolluted rivers, this ugly duckling-turned-swan of a city nestles on a point where the gray-green Monongahela and Allegheny merge to form the stately Ohio.

But in some circles, Pittsburgh is becoming known as the headwaters of another, darker stream — the stream of questions, suspicions and disturbing stories that have kept Vincent Foster in the headlines more than two years after he was found dead in a suburban Washington park.

Following a money trail, Democrats believe they have traced the source for most if not all of

those questions, suspicions and disturbing stories to the 39th floor of one of Pittsburgh's handsome skyscrapers, where two friendly but firm guards protect the tastefully decorated domain of one of the city's most intriguing and elusive citizens.

He is Richard M. Scaife, 62, a fabulously wealthy, famously temperamental newspaper publisher and philanthropist who combines a flair for the flamboyant gesture with a reclusive streak, and who shares a curious link with the Foster family: Twenty-six years ago, a close friend and family member was found shot to death in what officials ruled was a suicide but under circumstances that caused many to question that verdict.

The tragic story, with its overtones of scandal and betrayal, caused a rift in Scaife's family and probably only encouraged the millionaire to retreat further behind the veil of privacy his money afforded him.

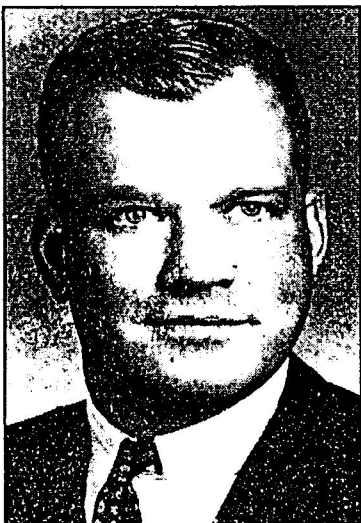
Although Scaife has proven himself quite capable of dishing out unwelcome media attention through the feisty conservative publications with which he has been associated, he never has liked being on the receiving end.

He's going to be, though. His position as a key bankroller of the rump Foster investigation — Scaife's associates insist they're not peddling conspiracy theories, merely asking questions — assures that.

According to figures available from The Foundation Center, a service organization that maintains records on nonprofit organizations, Scaife foundations have provided substantial financial backing for:

- Accuracy In Media and the Western Journalism Center, two conservative watchdog groups that have produced columns and television shows, sponsored seminars and purchased full-page ads in major newspapers to challenge the official verdict on the death of Foster, President Clinton's long-time Arkansas friend and the deputy White House counsel.

- The National Taxpayers Union, whose chairman, James See **SCAIFE**, Page 2A



AP file photo/1973

Richard Mellon Scaife

FBI/DOJ

Scaife

• Continued from Page 1A

Dale Davidson, has written extensively about Whitewater in his newsletter, *Strategic Investments*, and who worked with the Western Journalism Center to produce a video called "Unanswered: The Death of Vincent Foster."

• *The American Spectator*, a conservative magazine that will include a major article raising questions about the Foster suicide in its next issue.

Scaife has added to the drumbeat of doubts with his own newspaper. The *Tribune Review*, his small but growing western Pennsylvania daily, hired Christopher Ruddy, a *New York Post* reporter who has been specializing in stories about the Foster case. Besides the more than 30 bylined stories Ruddy has had in the *Tribune Review* since November, Scaife's paper has given prominent play to a steady stream of wire service reports about the Whitewater case — and especially Foster's death.

"They have put absolutely everything on the front page they can find, whether it's an AP story or *The Washington Post*," says Jim Davidson, a local journalism professor and media critic, who is no relation to the National Taxpayers Union chairman. This Davidson, incidentally, doesn't see anything sinister about the *Tribune Review's* Foster coverage. "It's pretty much of an old-fashioned crusade," he says.

But Democrats think it's no accident that the pet cause of a man who also has been a generous backer of national Republican candidates is winning new credibility on Capitol Hill. House Speaker Newt Gingrich, who in August announced he wants to take a second look at evidence in the Foster case, has received at least \$35,000 in Scaife contributions to GOPAC, his political action committee.

"He's the critical link between the people driving the conspiracy theories and mainstream conservatives," Lynn Cutler says of Scaife. Cutler, the former vice-chairman of the Democratic National Committee, is now helping to run Back to Basics, which she describes as "a pathetically underfunded effort" to provide a rebuttal to the Clinton administration's Whitewater critics.

FAMILY MATTERS

Funding has never been a problem for the friends of Richard M. Scaife.

The "M" stands for Mellon. Estimated by *Forbes* magazine to be worth \$750 million, he is an heir to one of the most storied fortunes in American history. Scaife still maintains the offices of his four foundations atop one of Mellon Bank's several downtown Pittsburgh office towers, but he has pulled all of his money out of the financial institution his great-grandfather founded and has placed it in the vaults of a cross-town rival.

This is probably good for Scaife, since some of the more suspicious followers of the Foster case, angry that Scaife has not bought the latest theory — it involves Foster selling secrets to Israeli secret police and

Swiss bank accounts for paid-off U.S. officials — have been attacking the Pittsburgh millionaire on the Internet and suggesting that his family ties have caught him up in the conspiracy, too. Mellon Bank is, after all, an international institution.

He may keep his Mellon connections at arm's length, but Scaife, in deciding to make politics a hobby, was following squarely in a family tradition.

His great-uncle, Andrew Mellon, was a Pennsylvania back-room powerhouse who served as treasury secretary under three presidents. His uncle, R.K. Mellon, struck up an odd-bedfellows alliance with the local Democratic power structure in the 1940s and '50s to launch the Pittsburgh Renaissance, a surprisingly successful effort to free the then-Smoky City of some of the grime and squalor with which Mellon's coal and steel financier forebears had helped encrust it.

Although one veteran pol remembers Scaife refusing to play golf with him because he is a Democrat, the Mellon moguls' nephew has himself made occasional book with members of the locally powerful other party.

Long stereotyped as a sugar daddy of the Republican right (he wrote out 334 checks of \$3,000 each so Richard Nixon's 1972 campaign could avoid gift taxes on his then-legal \$1,002,000 contribution), Scaife is also strongly in favor of abortion rights. His wife has sat on the board of Planned Parenthood, and his grandmother was best friends with population-control pioneer Margaret Sanger.

Scaife also has a soft spot for flowers and annually donates money to plant trees around Pittsburgh. Both on his own and through his network of foundations, he has been a generous patron of museums and universities and of Pittsburgh's symphony and opera company.

But Scaife seems now to have lost much of his handicapper's enthusiasm for political candidates. Cliff Jones, former Pennsylvania Republican chairman, thinks Scaife has decided to pump his money into ideas and causes instead.

Among the beneficiaries are conservative think tanks like the Hoover Institute and the Heritage Foundation, which received roughly \$1 million each in 1992.

While Scaife once was an active contributor in Pennsylvania campaigns — where there is no limit on how much an individual can contribute — Jones says that, more recently, many state Republicans "have come away empty-handed. Some haven't even gotten into the door." Jones does not believe Scaife is the kind of donor who expects those he supports to be at his beck and call: "In all the time I worked with him, I never found him attaching a string."

Scaife's attorney, Yale Gutnick, also pooch-poochs the Democratic theory that his client is calling in chits to force Congressional Republicans to reopen the Foster investigation. "Dick Scaife doesn't have that kind of power," the attorney says.

His client's contributions to the organizations working on the Foster investigation, Gutnick argues, are small potatoes compared with his other, nonpolitical philanthropies. This is true. Scaife gave more than \$1 million to the Pittsburgh Symphony in 1992 and \$1 million to the Salvation Army.

But it is also true that as far as some of his beneficiaries are concerned, Scaife's contributions are not small potatoes at all.

A \$120,000 gift from Scaife's Carthage Foundation is by far the largest contribution to Accuracy In Media listed in the latest report of the Foundation Center. Ditto for the \$120,000 contribution that the Sarah Scaife Foundation made to *The American Spectator*.

PROTECTING PRIVACY

Accuracy In Media's Reed Irvine, who also airs his views on a weekly show broadcast on National Empowerment Television, a cable channel founded by another conservative group that the Scaife foundations have underwritten to the tune of \$5.3 million, is convinced that Vincent Foster could not have died where he was found. He thinks the Park Police who investigated the death were lying and that Robert Fiske, the independent counsel who agreed with their ruling of suicide, was "absolutely dishonest."

Scaife has in no way masterminded his efforts on the Foster case, Irvine maintains.

"When I first started writing about it, I had no idea what Scaife's view on this was," Irvine says, adding that Scaife's foundations, "in all the years they've funded us ... never have directed us to do anything or not do anything."

The story's the same at *The American Spectator*. Editor Emmett Tyrell says he hasn't talked to Scaife for months. The reason his magazine is about to run an article on the Foster case, he said, is that "I'm deeply interested in this."

Tyrell, who has hosted Scaife at the annual party *The American Spectator* throws for itself and its benefactors, describes the Pittsburgh millionaire as "a perfect gentleman" who "lives according to an old-fashioned code of behavior."

Tyrell is one of the few Scaife acquaintances bold enough to talk about him for the record. Scaife's penchant for privacy is legendary in Pittsburgh. Aside from an interview he gave *The New York Times* a few months ago — one which one associate says Scaife regrets — Scaife assiduously shuns the media. Reporters at his own paper say they go months without seeing him. The most recent pictures in the *Pittsburgh Post-Gazette's* files are at least 20 years old.

When Scaife's marriage to his first wife, Frances, ended in 1991 after a bitter eight-year divorce, the legal papers were sealed to the public. Efforts by both Pittsburgh newspapers to open them were to no avail.

When it comes to discussing Scaife, the conspiracy of silence here seems at least as widespread as the one that's supposed to exist in Washington about the Foster case.

"He's one vindictive SOB," from one nervous acquaintance, was a typical reaction. "If you leaked my name, I might need bodyguards."

Actually, Scaife uses them himself. He turned up with two in tow at the black-tie opening of the Sarah Scaife Gallery, a much-admired wing to the Carnegie Art Institute here that Scaife built in his mother's memory. His concern for personal security also manifested itself when, a few years ago, he asked the local zoning board to allow him to install barbed wire behind his home in a staid and leafy Pittsburgh neighborhood "to deter trespassers."

Gutnick, who says he's heard "all the stories," maintains that he's never experienced Scaife's legendary temper. But he acknowledges that his long-time client has become "much more mellow" since visiting the Betty Ford Clinic in the late 1980s.

"He did have an alcohol problem; he got help. There's been a tremendous change," Gutnick says.

PURSUING PASSIONS

Now remarried, Scaife is devoting himself to what Gutnick says are his main passions: newspapering and politics.

Brought up not on the then-gritty streets of Pittsburgh, but one rustic county to the east, where the Mellon family long has maintained a huge and lush compound known as Rolling Rock, Scaife showed a taste for the world's second oldest profession from an early age. He subscribed to countless newspapers and collected old tear sheets. He named his horse — who, when he was 9, caused him a serious head injury by rolling on him — "News Girl."

In 1969, Scaife bought the *Tribune Review* in Greensburg, a town not far from where he grew up. From this base, about 30 miles east of Pittsburgh, he began looking for inroads into the metropolitan market.

He founded a short-lived magazine called *Pittsburgher*, which was the only local media outlet to print a hair-raising story about a distinguished local congressman being sued by a transsexual who claimed the lawmaker had failed to honor a promise to pay for the surgical procedure that would complete his sex change.

There was widespread speculation that *Pittsburgher* dared to print the story only because the congressman involved was a) a liberal Democrat and b) the son of a lawyer for a Mellon uncle whom Scaife disliked. Despite its undeniable entertainment value, the magazine failed.

In 1992, Scaife bought a popular all-news radio station in town and tried to buy the *Pittsburgh Press*, whose exasperated owners put it on the block in the midst of a strike that kept the newspaper off the street for nearly eight months.

Scaife is suing the winning bidder, the *Pittsburgh Post-Gazette*, claiming the process was rigged. Meanwhile, he has redoubled his efforts to make the *Tribune Review* a credible rival, hiring former *Press* reporters and delivering a Pittsburgh edition that is handsomely designed and feisty enough to take potshots at the establishment.

Scaife's addiction to politics began in the 1950s, when Bob Duggan, a close family friend and an usher at Scaife's first marriage, urged him to run for Republican committeeman. When Duggan was elected district attorney of the county that included Pittsburgh in 1963, he became a fair-haired boy of Republican politics. Scaife, his protégé, was a close adviser.

Then, in 1970, one of Duggan's top detectives was indicted on allegations of taking payoffs from mobsters. The detective turned state's evidence. Years later, a well-placed Pennsylvania businessman acknowledged that he was tipped off Duggan himself was in trouble, and that he in turn tipped off Scaife.

Scaife resigned as Duggan's campaign finance chairman and urged his sister, Cordelia May, to break off her longtime friendship with Duggan. Nevertheless, in 1973, when it became apparent that she might be called to testify against Duggan, Cordelia May married him.

Four months later, on the same day a Pittsburgh grand jury indicted him on six counts of tax fraud, Duggan was found dead of a shotgun wound on the rain-soaked ground of his country estate.

The coroner ruled Duggan's death a suicide, but people wondered. As in the case of Vincent Foster, there were no fingerprints on the gun found by the body. As in the Foster case, people speculated about who might have had what to lose if Duggan had told investigators all he knew.

Having been through that painful experience of Duggan's suicide, doesn't Scaife worry about what the investigations he's sponsoring are doing to Foster's friends and family?

Gutnick, Scaife's well-spoken attorney, rocks back in his chair at that question. "That's an interesting twist on it," he acknowledges. Then he offers this explanation:

"I think Dick Scaife thinks there's a higher voice that has to be answered. He's not an insensitive person, but I do think he thinks the country ought to be told the truth.

"The Foster situation is going to exist until all these questions are answered. I think anybody would feel sad for his family. But there are so many open issues surrounding his death.

"I think the public has a right to know these things."

The Washington Times

DATE: 9-27-95PAGE: A12

Leaving fingerprints

"Intensive monitoring" by the White House of Internet sites that provide updates on Whitewater and Vincent W. Foster Jr. has been uncovered in cyberspace.

"They leave traces everywhere they go," insists Marvin Lee, editor of the electronic newsmagazine Washington Weekly, published on the Internet. Computers from inside the White House, the editor found, have kept tabs on information about Whitewater, Mr. Foster's death and the Mena airport drug operation in Arkansas at a few key sites on the Internet's World Wide Web.

"Just three such sites — the Washington Weekly, the Whitewater Scandal Home Page and 'Whitewater & Vince Foster' — were accessed 128 times by four computers from the Executive Office of the President between August 28 and August 31," Mr. Lee says.

President Clinton's press office did not respond when asked to explain the monitoring.

Mr. Lee says: "If the White House is showing a similar interest in other sites on the World Wide Web, that would amount to a monitoring operation of considerable magnitude."

The Washington Times

DATE:

9/16/95

PAGE:

A1

FBI fires shot in search for Foster bullet

Ballistic tests in park exceed '93 efforts

By Jim Keary
THE WASHINGTON TIMES

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The Washington Times

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PAGE: A14

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By Karen MacPherson
ALBUQUERQUE TRIBUNE

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VF

TELECOPY COVER SHEET

OFFICE OF THE INDEPENDENT COUNSEL

1001 Pennsylvania Avenue, N.W., Suite 490N

Washington, D.C. 20004

telephone (202) 514-8688

facsimile (202) 514-8802

Date: _____

TO: Hick Ewing

Company Name: _____

Fax Number: _____ Telephone Number: _____

FROM: Brett Kavanaugh

Number of Pages: 8 (including this cover sheet)

Message: FYI : Page 3 certainly gives me some pause.

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- 1 -

OFFICE OF THE INDEPENDENT COUNSEL

Date of transcription 6/29/95

KYLE ERIC CHADWICK was interviewed in a conference room in the offices of the Office of the Independent Counsel (OIC), 1001 Pennsylvania Avenue, N.W., Suite 480 North, Washington, D.C. (WDC). After being advised of the official identity of the interviewing agent and the nature of the interview, CHADWICK provided the following information:

In late April or early May of 1993, while CHADWICK was a first year law student at Stanford Law School in California, he heard about an opportunity to serve as an unpaid intern in the White House Counsel's Office (WHCO) in WDC. CHADWICK knew that Associate White House Counsel CHERYL MILLS had attended Stanford Law School, and he faxed a copy of his resume to her at the White House. Because CHADWICK could not afford to travel to WDC to be interviewed for an internship position, he was interviewed over the telephone by MILLS and Associate White House Counsel BETH NOLAN. There was a two to three week interlude between CHADWICK's interview and his receipt of an offer of an internship.

CHADWICK arrived in WDC in early June, possibly during the first week of June, to begin his internship at the White House. CHADWICK does not recall the exact date when he began his internship. The summer was divided into two internship sessions, and there were five to six interns working in the WHCO in each of the two sessions. MILLS was generally the supervisor over the WHCO interns. While the interns were designated as working for specific people on the WHCO staff, the interns rotated roles and worked for a number of people during their internships. The interns were given fairly discrete legal questions to work on. They would typically be asked to write memoranda answering specific questions posed by members of the WHCO staff. Some of the interns were also given the opportunity to research policy decisions.

Some of CHADWICK's work involved photocopying of statutes which were relevant to matters under consideration by WHCO staff. The assignments given to interns were generally

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by SA RUSSELL T. BRANSFORD RTB:rtb Date dictated 6/29/95

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channeled through MILLS to ensure that the workloads assigned to each of the interns were fairly equal. Each of the interns was given a telephone and a desk at which to work. CHADWICK's desk was in an area resembling a reception area in the Old Executive Office Building (OEOB). The area in which his desk was located was next door to the suite where NOLAN and Associate White House Counsel WILLIAM H. KENNEDY III had their offices. CHADWICK did not perform any vetting work for administration nominees.

CHADWICK served at the White House for eight weeks. His first four weeks were spent working for MILLS, the next two were spent working for NOLAN, and CHADWICK worked his last two weeks for Deputy White House Counsel VINCENT W. FOSTER, Jr. FOSTER died during CHADWICK's second week working for FOSTER. CHADWICK's last day of work at the White House was the Friday following FOSTER's death, i.e., July 23, 1993.

When CHADWICK first arrived at the White House, there was an orientation meeting for the WHCO interns conducted by FOSTER and White House Counsel BERNARD W. NUSSBAUM. There was a marked contrast in the personalities of NUSSBAUM and FOSTER. NUSSBAUM was talkative and gestured quite a bit as he spoke. FOSTER was very tightly controlled and had the appearance of a highly successful president of a small town bank. FOSTER also had an air of real propriety, and he told the interns that most of the matters on which he worked at the WHCO were of such a nature that he could not even discuss them with his wife.

CHADWICK only spoke with FOSTER in person once during the two weeks of CHADWICK's assignment to FOSTER. This conversation occurred early in CHADWICK's first week working for FOSTER, and it occurred in FOSTER's office in the West Wing of the White House. CHADWICK had tried to telephone FOSTER on CHADWICK's first day working for FOSTER to obtain his work assignments, but CHADWICK was unable to reach FOSTER. CHADWICK believes he may have then met with FOSTER on Tuesday of that week (July 13, 1993). FOSTER told CHADWICK that he had some health care-related work that he wanted CHADWICK to perform. This work involved finding sources of information and locating and making copies of state statutes which were relevant to health care issues. FOSTER held out a few newspaper clippings which related to health care as an example of what he had in mind. FOSTER was eating lunch in his office during this conversation, and CHADWICK only spent approximately five minutes or a little more with

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FOSTER. FOSTER seemed intent on CHADWICK comprehending what it was that FOSTER wanted CHADWICK to do. This was the only occasion when CHADWICK spoke with FOSTER in FOSTER's office. There were other occasions when CHADWICK might encounter FOSTER in a hallway, but on such occasions CHADWICK and FOSTER would just exchange greetings.

FOSTER's physical appearance during this conversation seemed about the same as CHADWICK recalled it having been during the orientation meeting. CHADWICK does not recall observing any changes in FOSTER's personality or physical appearance during the time that CHADWICK knew FOSTER.

CHADWICK usually had a difficult time reaching FOSTER by telephone because FOSTER was so busy. When CHADWICK completed an assignment for FOSTER, CHADWICK would usually send the completed product to FOSTER via inter-office mail or CHADWICK would place the work product in an envelope and leave it with a guard at the West Wing.

On the morning of July 20, 1993, CHADWICK called FOSTER regarding the project on which CHADWICK was working, which involved the photocopying of statutes. CHADWICK was unsuccessful in reaching FOSTER so he left a message asking FOSTER to call him. CHADWICK recalls receiving a telephone message slip which indicated that FOSTER had returned CHADWICK's call at approximately 12:40 p.m., at a time when CHADWICK must have been away from his desk. CHADWICK called FOSTER back and was put through to FOSTER. FOSTER said that he wanted a copy of the complete statute which CHADWICK had located rather than just the portion FOSTER had earlier requested. FOSTER commented in words to the effect that, It seems like a good statute, don't you think? CHADWICK did not know how to respond to this question since he has rarely attempted to characterize a statute. CHADWICK felt at the time that FOSTER seemed "distracted" since FOSTER had asked a question which seemed so out of character for him. FOSTER was usually very businesslike and direct in his conversations with CHADWICK, and FOSTER did not discuss personal matters with CHADWICK or ask for CHADWICK's opinions.

CHADWICK does not recall any other details of this telephone conversation with FOSTER. FOSTER did not say anything else in the conversation which CHADWICK regarded as remarkable or memorable. CHADWICK does not recall FOSTER's voice or speech

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sounding any different than usual.

The statute about which FOSTER had asked for CHADWICK's opinion was a Florida statute relating to people waiving their right to sue for tort after suffering certain types of injuries. The statute had relevance to both health care issues and to tort reform.

FOSTER also seemed to be distracted on one other occasion when FOSTER asked CHADWICK to obtain a copy of a book written by a Harvard University professor, whom CHADWICK believes to have been PAUL WEILER. The book related to health care issues. When CHADWICK inquired about obtaining a copy of the book for FOSTER, he learned that a copy had already been sent to the WHCO. CHADWICK believes FOSTER forgot that the WHCO was already in receipt of the book.

CHADWICK did not have personal contact with FOSTER at all on July 20, 1993, and he did not observe FOSTER at all on that day. The office space in which CHADWICK was located was on the first floor and south side of the OEOB. Because of the location of CHADWICK's office, CHADWICK would not have been able to observe FOSTER leaving the West Wing of the White House.

Several days after FOSTER's death, CHADWICK went to lunch with MILLS in the White House mess. This lunch meeting was on the day the FOSTER note was released to the media, but the note had not yet been released at the time of the meeting. MILLS did not offer any insights into FOSTER's death other than to say that FOSTER had been under a lot of pressure.

CHADWICK did not travel to Little Rock with other White House staff members, and he did not attend FOSTER's funeral. CHADWICK knows of no information or events which should have warned White House officials that FOSTER might take his own life.

There were two male interns who worked for FOSTER during the early part of the internship period. GEORGE CANNON was one of these males, but CHADWICK is unable to recall the name of the other intern.

(At this point in the interview, CHADWICK was asked about a number of former WHCO interns by name.) CHADWICK furnished the following information:

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JONATHAN KOPP was possibly a full-time employee of the WHCO and may have been attending law school at Georgetown University at night. KOPP was already serving at the WHCO prior to the arrival of the WHCO interns, and he had possibly been there during the entire spring of 1993. KOPP guided the WHCO interns around the White House on their first day there.

MATTHEW FOGELSON would have worked for FOSTER at some point. CHADWICK believes FOGELSON was attending law school at New York University.

URSULA HALL was a female who attended the North Texas School of Law.

DANIEL RAPPORT was a student at Yale University.

DANA HYDE had been a student at Hastings College of Law prior to becoming a WHCO intern. CHADWICK had met HYDE once before when she was working for the presidential campaign of Governor BILL CLINTON. HYDE spoke of possibly transferring to attend law school at either Georgetown University or George Washington University. CHADWICK does not know if she actually transferred.

There was one other intern but CHADWICK is unable to recall the name of this person. CHADWICK believes this intern attended law school at either Vanderbilt University or possibly the University of Arkansas.

On further reflection by CHADWICK, DANA HYDE may have been one of the interns who served in the second eight week internship session during the summer of 1993.

GEORGE CANNON and the unknown male worked for FOSTER the first two weeks of the internship period. It is possible that DANIEL RAPPORT worked for FOSTER during the second two week block of the first summer session. CHADWICK cannot recall who worked for FOSTER the third two week block of the internship period. There was no inherited work which was passed on from, for example, FOSTER's intern in the third block to the intern in the fourth block (CHADWICK). The fact that CHADWICK tried to contact FOSTER on CHADWICK's first day of being assigned to FOSTER reflects that CHADWICK was attempting to get his work assignments.

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On July 21, 1993, CHADWICK learned of FOSTER's death the preceding night. CHADWICK was living with his brother in Rockville, Maryland at the time. At approximately 8:00 a.m., CHADWICK was getting ready for work and listening to National Public Radio when he heard the hourly summary of the top news stories. The top story mentioned the death of the Deputy White House Counsel. CHADWICK had not received notification of FOSTER's death from anyone at the White House either that morning or the night before.

Once CHADWICK arrived at the White House that morning, there was still never a formal announcement of FOSTER's death. It was as if it was assumed that everyone knew of FOSTER's death. The full-time attorneys on the WHCO staff had a meeting that day in a conference room in the OEOB. CHADWICK does not know if this meeting occurred in the morning or afternoon. The interns and the detailee attorneys from other agencies who were serving on the WHCO staff were not invited to attend this meeting. As the full-time WHCO attorneys left the room following the meeting, they were very quiet and appeared grief-stricken. CHADWICK does not recall specifically who attended this meeting, but he does not recall observing anyone leaving the meeting who was not an attorney or at least a member of the WHCO staff. CHADWICK does not recall CRAIG LIVINGSTONE attending this meeting.

CHADWICK had very little contact with LIVINGSTONE. LIVINGSTONE addressed the interns on their first day at the White House and cautioned them about proper handling of documents. CHADWICK would occasionally see LIVINGSTONE in passing, such as in the halls. CHADWICK has never spoken with LIVINGSTONE about LIVINGSTONE's activities following FOSTER's death.

CHADWICK did not attend the address by President CLINTON to White House employees, and he does not recall being invited to attend it, although he did hear about it after it had occurred.

CHADWICK cannot recall the name of an unpaid woman who worked at a desk immediately outside MILLS's office. This woman spoke about her interest in obtaining full-time work at the White House, but CHADWICK doubts that she would have been hired because she had a poor attitude.

JENNIFER MILLER was an assistant to Associate White

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House Counsel RON KLAIN. MILLER had just finished her first year of law school at Stanford. Currently, MILLER may be taking some time off from her law school studies to participate in the CLINTON presidential campaign.

Neither KLAIN nor Associate White House Counsel CLIFF SLOAN had receptionists working for them.

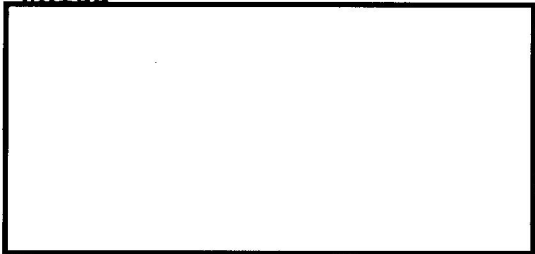
CHADWICK has been unable to locate the written telephone message slip which notified CHADWICK of the return call from FOSTER on July 20, 1993. He had retained the slip for some time but he was unable to find it prior to the instant interview. Without viewing the slip, CHADWICK cannot recall with certainty what time FOSTER returned CHADWICK's call, but it was no more than five minutes either before or after 12:40 p.m. CHADWICK knows of one more place where this message slip may be, and he will advise the interviewing agent if he locates the slip.

CHADWICK has no knowledge or reason to believe that FOSTER's death was anything other than a suicide.

CHADWICK is not currently employed since he is studying to take the bar examination. A background investigation is currently being conducted on CHADWICK because he will be going to work at the United States Department of Justice in the Office of Legal Counsel.

Based on observation and interview, CHADWICK is described as follows:

Name: KYLE ERIC CHADWICK
 Sex: Male
 Race: White
 Date of Birth:
 Place of Birth:
 Social Security
 Account Number:
 Residence:



Home Telephone:

FOIA(b)6
FOIA(b)7 - (C)

MEMORANDUM

Date: August 3, 1995

Subject: Rush Limbaugh - August 2, 1995

At approximately 1:20 p.m. on this date, Rush Limbaugh was talking about what had come out at the Senate hearings about Vince Foster. He said there was now testimony from Linda Tripp and Deborah Gorham that there was a document missing from Vince Foster's office - a listing of all of Bill and Hillary's financial investments, etc.

They also chatted by E-mail, which has been retrieved. They alluded to the fact that the torn up pieces of paper were seen in the briefcase on July 21, but were not retrieved until July 26.

Gorham also testified that she was grilled repeatedly by Bernie Nussbaum on July 21.

Rush further observed that he was not a suicide expert, but normally when someone is going to commit suicide, they don't say, "I'll be back." On the day of Foster's death, he told his office people that he would be back.

When Rush signed off for a break, he said, "I'll be back - or will I?"

The Washington Post

Rescuers Tell of Finding Foster's Body in Va. Park

Federal Grand Jury Hears Testimony in 1993

Suicide of Former White House Counsel

DATE: 1-11-95
PAGE: A-11

By Toni Locy

Washington Post Staff Writer

A federal grand jury investigating the death of deputy White House counsel Vincent Foster yesterday heard testimony from Fairfax County rescue workers and the U.S. Park Police officer who found Foster's body in July 1993 in a Virginia park.

Four rescue workers and four police officers showed up with subpoenas at the U.S. District Courthouse yesterday. At least one of the workers testified in the morning. Park Police officer Kevin Fornshill, the first officer at Fort Marcy Park on July 20, 1993, testified for much of the afternoon. Three other park officers were told to return today to testify, they said.

The witnesses were subpoenaed as part of an investigation by White-water independent counsel Kenneth W. Starr into the circumstances surrounding Foster's death. Starr's predecessor, Robert B. Fiske Jr., con-

cluded in a report last June that Foster shot himself in a bout of depression over media criticism and allegations of wrongdoing at the White House travel office.

But Fiske based his report on interviews conducted by his staff, not grand jury testimony, and Starr, who took over from Fiske in August, has said he will make his own "independ-

dent judgment" on the cause and manner of Foster's death.

Fornshill was to resume his testimony today, according to his lawyer, Philip M. Stinson Sr. Stinson said he could not say why Fornshill had spent so much time before the grand jury.

Asked if the officer was asked about a briefcase that officers said they saw in a car in the park shortly after Foster's body was found, Stinson said, "I don't have any clue as to the significance of that."

Although two officers reported seeing a briefcase in what they thought was Foster's car, none was recovered.

"Obviously, they are focusing on the incidents of that day," Stinson added.

Fornshill was overheard in the hallway outside the grand jury room telling a grand juror that he would bring a map and "other things" when he returned today.

George Gonzalez, a Fairfax County rescue worker who completed his testimony yesterday, said only: "They asked me a lot of things."

Last year, Gonzalez was quoted by the New York Post as saying that the scene in the park was unlike other suicides he had observed. In the article, Gonzalez was quoted as describing Foster's body as neatly laid out "as if ready for a coffin."

But the Park Police's own findings, confirmed by Fiske, contradicted the statements: powder burns were found

on Foster's hand and mouth, there were no defensive wounds on Foster's body, and his thumb was trapped in the trigger of an antique Colt revolver owned by his family.

Foster's death was fodder for conspiracy theorists and conservative opponents of President Clinton who speculate that Foster killed himself, or was murdered, because of what he knew about Whitewater, a real estate development in Arkansas in which the Clintons' partner owned a failed savings and loan.

At the time of his death, Foster was working on financial matters for the president and Hillary Rodham Clinton, a former partner at Foster's old law firm in Arkansas.

Also yesterday, a federal judge in New York ruled that photographs can be taken of a torn-up note that Foster wrote before his death, the Associated Press reported.

And in Little Rock, Ark., a federal judge set a Feb. 27 sentencing date for former associate attorney general Webster L. Hubbell. Hubbell, who has agreed to cooperate with the independent counsel, pleaded guilty to fraud and tax charges last month.

Staff writer Susan Schmidt contributed to this report.

The Washington Times

DATE: 1-11-95PAGE: A-3

7 quizzed by grand jury on Foster

By Jerry Seper
THE WASHINGTON TIMES

Several key personnel involved in a probe of the death of White House Deputy Counsel Vincent W. Foster Jr. appeared yesterday before a federal grand jury in Washington looking into the 1993 suicide.

Their testimony was sought by Whitewater Independent Counsel Kenneth W. Starr, who is wrapping up the so-called "Washington phase" of his investigation: the Foster death, Treasury Department contacts with the White House in a federal probe of a failed Arkansas thrift, and the handling of the deputy counsel's papers by White House officials.

Three U.S. Park Police officers and four Fairfax County Fire and Rescue Department personnel, all involved in the Foster probe, appeared before the grand jury. Debbie Gershman, spokeswoman for Mr. Starr, yesterday declined comment on the grand jury inquiry.

Former Whitewater Special Counsel Robert B. Fiske Jr., whom Mr. Starr replaced, concluded in a June report that Mr. Foster killed himself because of depression and over matters unrelated to Whitewater. He also said there was insufficient evidence to show that White House or Treasury officials violated the law in discussing the federal investigation.

The third part of the Washington phase involved a look into possible criminal charges for obstruction of justice in the handling of the Foster papers.

Mr. Fiske did not rely on the grand jury as part of his investigation of the Washington phase, instead interviewing 188 persons directly — including President Clinton and first lady Hillary Rodham Clinton. He also reviewed hundreds of documents and talked with people to whom Mr. Foster had spoken or tried to speak in the days before his death, including former Associate Attorney General Webster L. Hubbell.

Hubbell pleaded guilty Dec. 6 to mail fraud and income tax evasion charges in the Whitewater probe and is scheduled for sentencing next month. His plea was part of an agreement with Mr. Starr to testify in the Whitewater case.

The Associated Press reported last week that two rescue workers had told the FBI previously that they had seen a briefcase in Mr. Foster's car at Fort Marcy Park, where the suicide occurred. Park Police have never reported finding a briefcase and have since said the rescue workers were "mistaken."

It was from Mr. Foster's briefcase — six days after his death — that White House officials reported finding a note showing that Mr. Foster had numerous concerns about his job and his ability to handle it. Administration officials said the note had apparently been overlooked by investigators.

But a Park Police detective, in a report, said he was certain the note was not in the briefcase when the White House deputy counsel's office was searched July 22, 1993 — two days after the death. White House officials said they found it July 26, 1993.

The note was found in 27 pieces, and a 28th piece was missing. An FBI check showed there were no fingerprints on any of the pieces.

Rescue workers George Gonzalez and Todd Hall told FBI agents and Whitewater prosecutors last February that they had seen a briefcase in Mr. Foster's car at the Fort Marcy parking lot. The two men were unavailable yesterday for comment.

However, Mr. Gonzalez, a paramedic, has said there were many

inconsistencies at the scene, including a lack of blood one would have expected in a gunshot suicide. Mr. Foster was found lying on a gentle incline, gun in hand, with only a thin trickle of blood from his mouth, according to U.S. Park Police reports reviewed by The Washington Times.

After Mr. Foster's death, White House officials removed Whitewater documents from the deputy counsel's office. Former White House Counsel Bernard W. Nussbaum said he and Clinton aide Patsy Thomasson and Margaret A. Williams, Mrs. Clinton's chief of staff, were in the office for only 10 minutes; Park Police investigators said the three were in the office for more than two hours.

The papers later were stored in a closet at the White House family residence, then turned over to David Kendall, the Clintons' personal attorney.

The Washington Times

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PAGE: 41

Hubbell probed anew on Madison

Senate also looks at prosecutor's role

By Jerry Seper
THE WASHINGTON TIMES

Senate investigators are trying to learn whether former Associate Attorney General Webster L. Hubbell and U.S. Attorney Paula J. Casey in Little Rock obstructed a government investigation of Madison Guaranty Savings and Loan Association.

The inquiry also has focused on the role of the Justice Department and the White House in a decision by Mrs. Casey in 1993 to reject Resolution Trust Corp. (RTC) criminal referrals against Madison.

The S&L was owned by James B. McDougal, a partner with President Clinton and first lady Hillary Rodham Clinton in Whitewater Development Corp.

The obstruction concerns are expected to surface during Senate banking committee hearings on Whitewater later this year, with Mrs. Casey and Hubbell tentatively listed as witnesses.

Two Republican senators have publicly raised the issue of possible obstruction in the case:

• Sen. Lauch Faircloth of North Carolina challenged Mrs. Casey's actions in the Madison probe during Senate banking committee hearings in August, although the hearing's limited scope prevented his asking several questions.

"I do not plan to go outside the scope of these hearings, so I won't ask why Paula Casey failed to act

on the criminal referrals that the special counsel now has, but I do want to ask some other questions," Mr. Faircloth said. "Did anyone in the White House have any communication of any kind with Paula Casey or any of her staff?"

His question, directed at Thomas F. "Mack" McLarty, who had been White House chief of staff, was ruled out of order by Committee Chairman Donald W. Riegle Jr., Michigan Democrat. Mr. Faircloth said he would wait to ask his questions "at another time."

• Sen. Arlen Specter of Pennsylvania asked Attorney General Janet Reno during a Senate Judiciary Committee hearing last year if she would "continue [in office] a U.S. attorney operating actively if that U.S. attorney were the subject of a criminal investigation?"

Mr. Specter said former Whitewater Special Counsel Robert B. Fiske Jr. confirmed, "There is an investigation which is under way for obstruction of justice." Miss Reno's answer was curt: "That depends."

Hubbell, who resigned as the Justice Department's No. 3 official in March, has been unavailable for comment. His attorney, Jack T. Lassiter of Little Rock, did not return calls to his office.

Mrs. Casey, reached at her office yesterday, said she had "no comment" on the Senate investigation.

According to federal law enforcement sources, the Senate inquiry dovetails with efforts by Independent Counsel Kenneth W. Starr — Mr. Fiske's successor — to look into allegations of obstruction by key Justice Department officials.

It was Mr. Fiske, during the House banking committee hearings on Whitewater in August, who shielded from public exposure several key players who figure prominently in the question of whether the Justice Department participated in a conspiracy to obstruct justice.

Among those Mr. Fiske asked the committee not to call for testimony were Hubbell, Mrs. Casey, former Deputy Attorney General Philip Heymann, and RTC investigator L. Jean Lewis, who headed the RTC inquiry into Madison dealings.

"The major part of my work is still in progress," Mr. Fiske wrote at that time to House banking com-

Mr. Fiske described Hale as a "fundamental part" of the Whitewater probe.

mittee Chairman Henry B. Gonzalez, Texas Democrat, explaining that they "are all potentially involved in the investigation ... which includes issues relating to the handling" of an RTC referral.

Hubbell pleaded guilty Dec. 6 to felony charges of mail fraud and income tax evasion in defrauding Little Rock's Rose Law Firm and its clients of \$394,000, and of evading more than \$120,000 in federal income taxes. With sentencing scheduled in U.S. District Court in Little Rock on Feb. 27, he faces 10 years in prison and fines totaling \$101,000.

His guilty plea was part of an agreement with Mr. Starr that he would testify to the Whitewater grand jury.

The Senate inquiry has centered on several areas, including concern that Mrs. Casey, a former Clinton campaign worker who had been his student at the University of Arkansas Law School, was named U.S. attorney as part of an effort by the White House to block the Madison criminal referrals.

Investigators also are looking at Mrs. Casey's refusal to discuss a deal with former Little Rock municipal judge David L. Hale, named on fraud charges, who told prosecutors he could implicate Mr. Clinton, Mr. McDougal and Arkansas Gov. Jim Guy Tucker in violations of the criminal law.

Hale's attorney, Randy Coleman, said he talked with Mrs. Casey about a deal on Sept. 7, 1993, three weeks after her nomination by Mr. Clinton as U.S. attorney, and said Hale offered to "wear a wire" to prove his accusations.

The Justice Department said at the time there was "no tangible information" to justify offering Hale a deal. But Mr. Fiske later signed a plea agreement with Hale, which reduced the charges against him from four felonies to two and reduced his risk of prison time from 40 years to 10 years in exchange for his testimony.

Mr. Fiske, in courtroom testimony, described Hale as a "fundamental part" of the Whitewater probe. Associate Counsel Russell "Rusty" Hardin, a former prosecutor in Houston, told the court Hale had "extensive knowledge in

the areas we are investigating," including relevant information beyond his public accusation involving Mr. Clinton.

The suspected obstruction, according to knowledgeable sources, began in 1993 after the RTC, which oversees failed S&Ls, said in nine criminal referrals that Madison funds were improperly diverted through overdrawn accounts and Madison loans.

RTC investigators suspected that Mr. McDougal oversaw a \$1.5 million check-kiting scheme "between McDougal and/or McDougal business controlled entities, including Whitewater." They also said Mr. McDougal approved fraudulent loans and diverted money to the campaigns of several powerful Arkansas politicians, including Mr. Clinton.

Lacking the authority to bring criminal charges, the RTC asked Mrs. Casey on Oct. 8, 1993, to prosecute the case. Nine days later, Mrs. Casey declined, saying the referral had been rejected due to "insufficient information."

In an Oct. 27, 1993, follow-up letter to Mrs. Lewis, Mrs. Casey wrote: "The matter was concluded before I began working in this office, and I was unaware you had not been told."

Mrs. Lewis responded on Nov. 1, 1993, saying that if the case had been concluded before Mrs. Casey's arrival, the U.S. attorney should forward to RTC investigators "other documents produced that are relative to the conclusion of this matter." No documents were ever produced.

On Nov. 9, 1993, Miss Reno said the Justice Department was taking over the Madison case because Mrs. Casey had decided to recuse herself and her staff.

Mrs. Casey told the Justice Department she sought recusal because of her "familiarity with some of the parties and the need to ensure that there be no misperceptions about the impartiality of the investigation."

It was not clear at the time why Mrs. Casey decided to ask the Justice Department to take over the case. Earlier that same week, she told reporters in Little Rock she could conduct an impartial investigation.

A day after the Casey recusal, Mrs. Lewis was removed from the Madison case.

Hale was indicted Sept. 23, 1993, on unrelated Small Business Administration fraud charges — the same day Mrs. Casey was formally appointed by Mr. Clinton as U.S. attorney.

The Washington Times

DATE: 1-11-95
PAGE: A-19

Whitewater dissembling as a chronic condition

By Mark R. Levin

If Whitewater is no big deal, why do Clintonites keep lying about it?

Last week Sen. Alfonse D'Amato, the new chairman of the Senate Banking Committee, announced that the Republicans on the committee concluded that administration officials improperly gave the White House confidential information about the Whitewater criminal investigation involving the Clintons.

In response, and on behalf of the Clinton administration, new White House counsel and former appeals court judge Abner Mikva issued the following statement:

"After an exhaustive inquiry and lengthy hearings, the Senate Banking Committee has affirmed what former independent counsel Robert Fiske, a White House internal review, the Office of Government Ethics and the House Banking Committee all previously concluded: The White House violated no law and breached no existing ethical standard in its contacts with the Treasury Department on Whitewater matters."

Of course, anyone other than perhaps Mr. Mikva who watched the now deposed king of the House Banking Committee, Henry Gonzalez conduct his Whitewater non-hearings last summer knows those proceedings were worthless. Indeed, rather than shedding light on the Whitewater matter, they exposed the arrogance of congressional Democrats to millions of C-SPAN viewers.

More important, however, is Mr. Mikva's false claim that the Office of Government Ethics (OGE) "affirmed" that White House staffers broke no law or ethical rule in their over 40 contacts with Treasury officials. This untrue assertion was made by former White House counsel Lloyd Cutler as well.

The July 30, 1994, OGE report to former Secretary of the Treasury Lloyd Bentsen presents the OGE's views on contacts between the White House and Treasury concerning Whitewater. The report is defective in many respects, but it clearly does not provide the legal cover claimed by Mr. Mikva. If Mr. Mikva had read the OGE's report, he would have come across this passage: "[O]ur analysis is not intended to cover, nor should it in any way reflect upon, the actions of individuals who are employed by the White House." In other words, Mr. Mikva's assertion

that OGE found no legal or ethical violations by White House officials is flatly false and intended to mislead the public.

Moreover, the OGE report was not very useful in any event. For instance, the OGE admits in its own report that it "is not an investigative agency." The report states further that "[t]he [OGE] does not ordinarily participate in an agency's investigation of the conduct of its own employees, or make recommendations as to appropriate disciplinary or remedial action."

The basic mission of the OGE is to provide direction to Executive Branch employees to prevent conflicts of interest. That mission has nothing to do with the issue of Treasury and Resolution Trust Corp. (RTC) contacts with the White House regarding a criminal matter. Nonetheless, the OGE "agreed to review the report issued by [the Inspectors General of Treasury and the RTC] in connection with an administrative investigation . . . to be conducted by them."

Therefore, not only did OGE exempt White House officials from its review, but as to other government officials, such as employees at Treasury and the RTC who were in communication with White House staffers, the OGE confesses it has no investigative experience, it is not competent to conduct an investigation, it did not conduct an inde-

The OGE report is a weak and defective document prepared under pressure of time by the wrong agency.

pendent investigation, and it simply reviewed the findings of the Inspectors General.

Furthermore, the OGE's conclusion about the conduct of certain Treasury and RTC employees, even after having only reviewed the findings of others, is not helpful to the Clinton administration. The OGE report states that "[o]n the basis of our review, we believe that you might reasonably conclude that the conduct detailed" by the Inspectors General in their investigation did not violate ethics rules. This is not a definitive or reliable statement

from a competent source. It's meaningless.

In addition, the timing of the OGE's release of its report is very troubling. The OGE report is dated Saturday, July 30, 1994. It was released to the public with much fanfare, positive media spin and claims of exoneration by former Treasury Secretary Bentsen on Sunday, July 31, 1994, only hours before the start of Senate hearings on Monday morning. Of course, the focus of those hearings was the contacts between White House staff and Treasury and RTC officials, the same subject addressed in the OGE report.

Was it coincidence the OGE was able to complete its report the weekend before the Senate hearings, enabling administration witnesses to declare their activities kosher by reference to the report? Hardly. The timing was obviously intended to benefit the White House. Indeed, most of the senators and their staffs hadn't had time to read the report in advance of the Monday hearings. The White House was able to mischaracterize the contents of the report without challenge.

Lest Mr. Mikva repeat the errors of at least one of his recent predecessors, he should dump the deceptive tactics. The OGE report provides no refuge for the Clinton administration. It is a weak and defective document prepared under pressure of time by the wrong agency. It exonerates no one. But now that Mr. Mikva has raised the subject, perhaps Congress will examine the OGE's activities in this case and determine whether it is the independent ethics office envisioned by its congressional architects, or a wholly-owned subsidiary of the Clinton White House.

Mark R. Levin is director of legal policy at Landmark Legal Foundation.

Hearing on Foster's death begins

Witness list so long, prosecutors send some of them home

BY PETE YOST
Associated Press Writer

WASHINGTON — Whitewater investigators looking into Vincent Foster's July 1993 suicide summoned four U.S. Park Police officers and four county rescue workers Tuesday for questioning before a federal grand jury.

The witness list was so lengthy that prosecutors sent two Park Police officers home and ordered them to return later in the week, the officers said.

Those being summoned were involved in the initial inquiry into the July 20, 1993, death of the deputy White House counsel, said Maj. Robert Hines, a spokesman at the agency.

Four uniformed members of the Fairfax County, Va., Fire and

Rescue Department appeared at the U.S. Courthouse. One rescue worker who testified, George Gonzalez, last year expressed doubts to investigators about Foster's death being a suicide. Gonzalez declined to discuss his grand jury testimony after his appearance Tuesday.

Foster was a Hope native and a former partner in Little Rock's Rose Law Firm. He was handling Whitewater-related matters for President Clinton and first lady Hillary Rodham Clinton when he died.

Park Police and former special counsel Robert Fiske Jr. ruled Foster's death a suicide.

Kenneth Starr, who replaced Fiske on Aug. 5, is reviewing the thoroughness and competence of

the initial investigation into Foster's death, sources have said.

In New York, a federal judge ruled that photographs can be taken of a torn-up note written by Foster and found in a briefcase that belonged to him. White House aides gave the note to authorities six days after Foster's death.

While allowing photos of the note, U.S. District Judge Sonia Sotomayer rejected a demand by *The Wall Street Journal* that the Department of Justice release the Park Police report on Foster's death and an FBI report on the handling of the note.

In the note, Foster expressed bitterness over public criticism of him and the Clinton administration.

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Foster doubted severity of 'travelgate' scandal

WASHINGTON (AP) — The late Vince Foster expressed doubts that White House travel office aides embezzled money but indicated he would defend the first lady's role in their firings, according to a report published Friday.

Foster, the former White House counsel whose July 1993 death has been ruled a suicide, detailed in diaries and other materials made available to The Washington Times his

doubts that there was sufficient wrongdoing to justify the firing of seven travel office workers.

"Odds small — there will be smoking gun," he wrote, according to the newspaper's account.

Foster repeatedly wrote in the documents that there "could be plausible explanation" or "reasonable explanation" for the travel director, Billy Dale, to have written checks to "cash" and deposited

official checks in his personal bank account. In one, Foster wrote that he was still "trying to determine if there is (the word 'is' underlined twice) actual wrongdoing."

In May 1993, the White House fired all seven travel office workers, but after an internal report said the Clinton administration had mishandled the case, the White House apologized to five of the aides and found them jobs elsewhere in

the government. Dale's deputy retired, but Dale faces two counts of embezzlement.

Foster wrote of discussing the controversy with Hillary Rodham Clinton, who, according to his notes, was not satisfied with the administration's handling of it, the report said.

As to Mrs. Clinton's involvement, Foster wrote in one reference, "Defend HRC role whatever is, was in fact or might have been."

DATE: 7-31-95PAGE: A-20

The Washington Times

Operation Chaos with boosters

TONY SNOW

The Clinton White House has done everything in its power to persuade people that fallen White House lawyer Vincent Foster Jr. went to his grave carrying dark secrets about people close to the president. The administration has concealed evidence, handed out contradictory accounts of its behavior after Mr. Foster's death and generally refused to level with Congress, the press or the public.

The fumbling began soon after Mr. Foster's suicide on July 20, 1993. Administration officials admitted on July 27 that they had found a torn-up note in the bottom of the lawyer's briefcase and explained they had overlooked it during their original search of his effects. They pieced together 27 shreds and reported that one other was missing.

Presidential aides characterized the scribbling as a suicide note, but it sounded more like a diary entry. Mr. Foster griped about the usual Washington barbarities — character assassination, journalistic assaults on the president and the like — but the tone didn't seem to suggest that he was planning to hop into his car, drive to a nearby park and put a gun to his head.

The subsequent investigation into his death raised other red flags.

The U.S. Park Service, which was asked to look into the suicide, planned to dust the paper scraps for fingerprints on July 29 but handed the stuff over to the FBI instead.

The FBI concluded that the note contained no discernible fingerprints, even though lots of White House employees had handled the paper.

Meanwhile, other FBI documents report that "indented writing

The White House continues to "find" records it has never discussed or described before — more than two years after Mr. Foster's death.

of unknown value was observed on the top page of the Q2 notebook" — a pad of yellow, lined paper from Mr. Foster's office. The records also show that Q2 was forwarded to "the assistant director, criminal investigative division, for appropriate disposition."

The aforementioned assistant director was Larry Potts, who later became the No. 2 official at the FBI. Mr. Potts recently got kicked downstairs after politicians assailed his handling of the government raids on Branch Davidians in Waco, Texas, and the home of Randall Weaver, in Ruby Ridge, Idaho. (The bureau blasted the Weaver raid in a 500-page internal critique that was written two years ago but disclosed only recently.)

The coincidence leads one to wonder: What about the missing fragment of the Foster note? The piece comes from the lower right-hand quadrant of the document, which happens to be the place one might grab a sheet to tear it from a legal pad. So who removed the sheet? And who tore it up?

Similar questions arise in the case of Mr. Foster's assorted papers recently released by the White House, including some of Mr. Foster's Travelgate recollections.

The records show he was worried about legal fallout from the travel office fiasco. One file bears the heading "In preparation for litigation" and includes some interesting documents. A sheet of paper lists the names and phone numbers of prominent lawyers — including James Hamilton, Mr. Foster's attorney, and Bob Bennett, who helps out the president from time to time. The page also includes a notation: "Hereby defend HRC role, whatever it was in fact or might have been misperceived to be." HRC presumably means Hillary Rodham Clinton.

Another sheet includes this

memorandum: "George comments re: HT no financial interest. . . . I disagree." This seems to refer to administration claims that First Friend Harry Thomason had no financial interest in tossing out the old travel office staff and opening up White House flight business to other firms, possibly including one that Mr. Thomason co-owned.

These two entries alone raise plenty of questions, which Congress ought to explore. The White House continues to invite new probes by offering incomplete and improbable accounts of just about everything relating to the aftermath of Mr. Foster's death — including the activities and whereabouts of former legal counsel Bernard Nussbaum, administrative aide Patsy Thomasson and Margaret Williams, Mrs. Clinton's chief of staff.

Any scandal rises or falls on the question: Who knew what, and when? As a result, the phrase "chain of custody" — who had what when — could become as familiar in the case as "unindicted co-conspirator" was during Watergate. The White House continues to "find" records it has never discussed or described before — more than two years after Mr. Foster's death.

Last week's Whitewater hearings produced no scandals, but they generated a fair number of suspicions. Until the White House finally squares with the lawmakers, inquiring minds will ask: Did grief-stricken aides simply panic after Vincent Foster died, or did somebody in the administration actually have something to hide?

Tony Snow is a Washington-based editorial page columnist for the Detroit News and is nationally syndicated.

The Washington Post

DATE: 7/29/95
PAGE: A8

Foster Journal Shows Worry About Travel Office

By Toni Locy

Washington Post Staff Writer

In the last month of his life, deputy White House counsel Vincent W. Foster Jr. worried that first lady Hillary Rodham Clinton would be unfairly accused of ordering the firings of veteran travel office employees, and wrote a detailed account of his involvement in the scandal to prepare himself for a possible court case.

Foster, who committed suicide in a Virginia park on July 20, 1993, began keeping a personal log about the travel office on May 30, 1993—11 days after the seven employees were fired. The journal appears to be an attempt to reconstruct events that had been played out over the previous three weeks, when the White House found itself under a storm of criticism about its handling of the issue. After the longtime employees were fired, a firm that had supported Clinton politically was brought in briefly to handle White House travel arrangements.

In the writings, Foster defended the first lady, insisting she played no major role in the firings. Sometimes, in question-and-answer format, he wrote out responses to questions he believed he was likely to face. He also scribbled names of well-known criminal defense lawyers in the journal's margins.

The writings, kept in at least one spiral notebook, provide more insight into one of the biggest political embarrassments of the Clinton administration, which led to reprimands of top Clinton aides and charges of politically motivated use of the FBI. Under heavy fire, the administration backed off the firings and found other government jobs for five of the employees, while the sixth retired. Investigators later concluded that the intense fallout was a factor in the depression that drove Foster to kill himself.

The writings also are of interest because they provide a diagram of the scandal that led to the indictment last December of Billy R. Dale, the veteran travel office head, who is accused of embezzling \$68,000 in news media money. Dale is scheduled to go on trial Sept. 11 in U.S. District Court.

Dale's lawyer, Steven C. Tabackman, said the writings are "one more link in the chain" that he intends to present to a jury to prove that "the only people guilty of criminal behavior are the White House officials who schemed to remove Mr. Dale and then tried to cover up their actions."

According to the writings, Foster appeared to be one of the few voices in the White House, and perhaps the only one, advising caution on the travel office matter. He wrote that he did

not want officials to go into the office firing employees "like gangbusters" and suggesting that they were involved in improper conduct. Instead, he preferred to have an audit done to determine whether there had been any wrongdoing.

He wrote that he initially was very skeptical of allegations made by Hollywood producer and Clinton friend Harry Thomason and by Catherine A. Cornelius, the president's distant cousin, who began pushing to take over the travel office not long after Clinton's election. He raised questions about Cornelius's credibility, noting that she had taken files and other documents from the travel office, which he called her "evidence."

Foster used such words as "vague," "circumstantial" and "rumors" to describe the allegations against the fired employees. He also quoted another former White House lawyer, William Kennedy, as musing about whether it was "worthwhile" to conduct an investigation.

As he received nearly hourly updates on an outside audit of the travel office, Foster held on to the notion that there could be an explanation for the office's sloppy bookkeeping. Later, after the audit was completed, he said there was no alternative but to remove Dale.

But Foster was most concerned about whether Hillary Clinton would be blamed. He

wrote that he met or talked to her at least twice about the travel office before the employees were fired. In his notes of a meeting with another White House official, Foster wrote that they both agreed that "HRC is perceived as being involved in the decision and events in which she has no participation."

But in the margin near another note dated May 17 regarding the imminent firings, Foster wrote "HRC problem" and circled it. On another page entitled "Coordination," he reminded himself to defend the firings as a management decision and "thereby defend HRC role whatever is, was in fact or might have been misperceived to be."

He first met with Hillary Clinton May 13, 1993, to discuss an analysis he was doing on medical malpractice that was related to her health care reform efforts. On a page entitled "Privileged in anticipation of litigation," Foster wrote that she "was aware of some assertions of impropriety in the travel office and wanted to know what was being done about it." Foster wrote that he told her he had assigned the matter to Kennedy.

Hillary Clinton had heard about problems in the travel office the day before from Thomason, who had an office and White House pass.

In his notes of a meeting he had with White House official John Podesta, Foster said, "I related I had a later discussion on Thurs (evening?)" with Hillary Clinton when he said he believed they again discussed health care reform issues. "I advised her outside auditors were being used and probably told her they would start Fri. morning."

Before the contents of his writings became known, it was believed that Foster had had only two conversations with Hillary Clinton about the travel office. He, however, wrote that he told Podesta "I may have had a few short, incidental, non-substantive discussions subsequent to pass on my understanding from [W. David Watkins] of status." Watkins was then in charge of White House administration.

In entries dated early July 1993—a couple of weeks before his death—Foster began researching criminal law to determine whether he or anyone else involved in the matter was liable, especially Thomason, who was advising the administration on staging presidential events. He scribbled notes referring to criminal statutes related to special government employees and possible influence peddling.

Foster also was trying to anticipate legal moves by Clinton adversaries on Capitol Hill, and how to avoid them, even if it meant stonewalling. At one point, he wrote that he and Kennedy advised Watkins to "sidestep, avoid" questions about a White House misstep and answer "only if pushed to wall."

THE WALL STREET JOURNAL

DATE: 8-9-95PAGE: B9

'RTC Investigator Claims U.S. Officials Sought to 'Obstruct' Probe of Whitewater

By VIVECA NOVAK

And ELLEN JOAN POLLOCK

Staff Reporters of THE WALL STREET JOURNAL
 WASHINGTON — A Resolution Trust Corp. investigator told the House Banking Committee that she believes high-ranking government officials made "a concerted effort to obstruct, hamper and manipulate" the results of her investigation of Madison Guaranty Savings & Loan.

The RTC's Jean Lewis, who generated the criminal referrals that kicked off the Whitewater probe, and two of her supervisors testified amid rancorous bickering between Democratic and Republican members on the second day of Whitewater hearings in the House.

Rep. Barney Frank (D., Mass.) and other committee Democrats repeatedly complained that Ms. Lewis's testimony made allegations about officials who weren't there to reply, and he moved unsuccessfully to postpone the hearing until the officials could be present. Chairman James Leach (R., Iowa) said he would invite any "impugned" officials to respond at hearings after Congress's August recess.

Democrats attacked Ms. Lewis, quoting from another RTC official's notes that said prosecutors wanted to keep her and her colleagues at arm's length. She was also questioned for tape-recording a conversation with a supervisor from RTC headquarters, which she said began inadvertently but that she continued consciously when she noticed the tape was running.

Ms. Lewis's RTC superiors removed her from the Madison probe in 1993; however, the material in her 10 criminal referrals is being investigated by Whitewater Independent counsel Kenneth Starr.

She told the committee that "Whitewater did cause a financial loss to Madison, and Madison's failure cost the American people millions of dollars." She quoted extensively from her referrals in her testimony, which she said had been cleared by Mr. Starr's office, marking the first time that the text of any of the referrals has been officially released.

Mr. Starr's office declined to comment.

Ms. Lewis's 1992 referral named the Clintons as possible witnesses and beneficiaries of an alleged check-kiting scheme by Madison owner James McDougal, the Clintons' partner in the Whitewater real-estate investment. Ms. Lewis also described at length one of nine referrals she made in October 1993 that dealt with the possible diversion of Madison funds to Mr. Clinton's gubernatorial campaign committee at a 1985 fund-raiser. The event raised more than \$30,000, but questions have arisen about whether the donors contributed their own funds. GOP committee members released documents yesterday that they said proved the diversion.

But committee Democrats introduced a committee interview with another RTC official who called Ms. Lewis's referral on the fund-raiser "scandalous" because it made a suspect of everyone.

Mr. Clinton, who signed thank-you notes for the donations, has denied knowledge of whether the funds came from other sources, such as Madison.

Documents of the Federal Bureau of Investigation and the Justice Department contradict the suggestion that there was a political attempt to quash Ms. Lewis's 1992 referral. Charles Banks, U.S. attorney in Little Rock, Ark., during the Bush administration, wrote the FBI in October 1992 that he didn't believe there was "a prosecutable case" against the witnesses, adding that the RTC's "insistence for urgency" implied an "attempt to intervene in the upcoming presidential election."

Around the same time, a Little Rock FBI official questioned in a memo why the RTC was pursuing the Madison case, about which there were many doubts, when it wasn't pursuing two other Arkansas thrifts with much greater losses.

And an analysis in February 1993 by a career lawyer in the Justice Department's criminal fraud section concluded the referral didn't provide enough factual support to warrant any prosecutions under bank-fraud laws. He also wrote: "No facts can be identified to support the designation of President Bill Clinton, Hillary Rodham Clinton or [Arkansas] Gov. Jim Guy Tucker as material witnesses to the allegations made."

At a separate Senate Whitewater hearing yesterday, Susan Thomases, a friend of the Clintons, denied that she had told former White House counsel Bernard Nussbaum that she was concerned about investigators' having unfettered access to Vincent Foster's office after his death. She recalled a phone call in which Mr. Nussbaum was "venting" about how he planned to protect the papers found in the deputy White House counsel's office. "I said, sounds good to me," said Ms. Thomases.

Ms. Thomases' testimony contradicts Mr. Nussbaum's recollection of their phone conversation. In his deposition, Mr. Nussbaum said that Ms. Thomases raised the issue and said that some unidentified "people" were concerned about unrestricted access to Mr. Foster's office, where Whitewater documents were filed.

Mr. Nussbaum has been attacked repeatedly by Republican senators, as well as some witnesses, for refusing to allow law-enforcement officials to look at documents in the office.

The conflict goes to the heart of some Republicans' theory that Ms. Thomases was conveying Mrs. Clinton's wishes to Mr. Nussbaum and other White House aides. White House lawyer Stephen Neuwirth has testified that he was left with the impression that Ms. Thomases had conveyed both Mrs. Clinton's and her own concerns to Mr. Nussbaum.

The Washington Times

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PAGE: A1

Democrats fail to halt tale of Madison scam

By Jerry Seper
THE WASHINGTON TIMES

House Whitewater hearings erupted into bitter partisanship yesterday, with Democrats trying to undermine the testimony of a government investigator who said funds from an Arkansas thrift were illegally diverted to President Clinton's gubernatorial campaign and to the Whitewater real estate venture.

At one point, House banking committee Chairman Jim Leach, Iowa Republican, declared "guttural sounds" out of order after Republicans complained that Democrats — led in part by Rep. Maxine Waters of California — were harassing witnesses with inappropriate groans.

But the partisan bickering and continuing disruptions failed to deter Resolution Trust Corp. investigator L. Jean Lewis, who testified that her probe of Madison Guaranty Savings and Loan Association — which led to 10 criminal referrals to the Justice Department — uncovered "rampant bank fraud" and an "elaborate check-kiting scheme."

"I believe there was a concerted effort to obstruct, hamper and manipulate the results of our investigation of Madison, and the subsequent independent counsel investigation, by individuals at the

RTC, the Treasury Department, the Justice Department and U.S. Attorney Paula Casey's office in Little Rock," Mrs. Lewis said.

Her long-awaited testimony, as well as that of two of her supervisors, was delayed when Democrats heatedly sought to postpone the hearings on the grounds that those being accused of wrongdoing were not invited to appear.

Rep. Barney Frank, Massachusetts Democrat, angrily suggested that Mr. Leach's oversight of the hearings was "absolutely McCarthyite" and moved that the session be delayed to call other witnesses. The motion was defeated 23-17

along party lines, but Mr. Leach agreed to call at a later date witnesses who might be "defamed"

Democrats also tried to impugn Mrs. Lewis' credibility by suggesting that her representation by the Landmark Legal Foundation, a conservative public-interest law firm, is a conflict of interest. But that claim went mostly unnoticed.

Mrs. Lewis' supervisors, Richard Iorio and Lee Ausen, testified that they reviewed the Madison investigation and found it in order.

Under friendly questioning by Republicans and often intense cross-examination by Democrats, Mrs. Lewis said a tracking of funds through Madison showed a check-kiting scheme involving the floating of "worthless checks among specific accounts intended to create the appearance of legitimate balances."

She said the scheme involved various Madison projects, all directed by the thrift's owner, James B. McDougal, and included entities known as Flowerwood Farms, Tucker-Smith-McDougal, Smith-Tucker-McDougal, Madison Marketing, the McDougals' personal checking account and Whitewater Development Corp.

The money paid from these accounts, Mrs. Lewis said, included real estate and loan payments to, among others, the Bank of Cherry Valley, Ark., and Madison Bank and Trust. The scheme, she said, provided money to Mr. McDougal, various business associates and the Bill Clinton Political Committee Fund.

"Whitewater did cause a financial loss to Madison, and Madison's failure cost the American people millions of dollars," Mrs. Lewis said. "I was not about to turn my back to the abuses and crimes that my colleagues and I uncovered and reported to the U.S. attorney and the FBI.

"It was and is our responsibility to help protect the depositors and taxpayers of this country and ensure that our laws are enforced."

Mrs. Lewis said she forwarded a criminal referral seeking pros-

ecution in the case to the U.S. Attorney's Office in Little Rock on Sept. 2, 1992. It said that among those who stood to benefit from the suspected check kiting were the Clintons and Arkansas Lt. Gov. Jim Guy Tucker, who became governor after Mr. Clinton won the presidency.

"Very specific information was provided in this referral," Mrs. Lewis said, including records of 10 checks written on the Whitewater account in six months for a total of \$70,639. Five of those checks lacked sufficient funds. She said other McDougal-controlled companies provided the money, some of which came from bank loans, to cover the overdrafts.

By late December 1992, Mrs. Lewis said, RTC investigators in Kansas City, Mo., where she worked, had received no information on the referral. Five months later, she called the U.S. Attorney's Office in Little Rock and was told the referral could not be located.

Later, she said, acting U.S. Attorney Richard Pence told her former U.S. Attorney Charles Banks had forwarded the referral to the Justice Department in Washington, "having concluded that further prosecution of Madison matters would present a conflict of interest for his office." Mr. Banks had unsuccessfully prosecuted Mr. McDougal on fraud charges in 1990.

Mrs. Lewis testified that she tracked the referral "through seven different offices at the Justice Department" before getting information from the fraud section in late June 1993. The referral had been reviewed by the executive office for U.S. attorneys and returned to the Little Rock office.

"I learned the referral had arrived back in Little Rock but that the acting U.S. attorney intended to let it sit until the new U.S. attorney designee, Paula Casey, took office," Mrs. Lewis said.

Mrs. Casey, a longtime supporter of Mr. Clinton's who worked in his 1992 presidential campaign and was his law student at the University of Arkansas, rejected the referral Oct. 27, 1993, saying it contained "insufficient information to sustain many of the allegations."

"Mrs. Casey's rejection was in direct conflict with information I had received from the Justice Department in Washington and the U.S. Attorney's Office when the re-

cont'd.

ferral was returned to Little Rock four months earlier," Mrs. Lewis said.

She told the committee that her probe continued and that nine additional referrals targeted suspected bank fraud, conspiracy, false statements and wire fraud. Those referrals, she said, identified multiple suspects, including the Bill Clinton Political Committee Fund, James and Susan McDougal, Mr. Tucker, and others.

Mrs. Lewis also said RTC officials in Washington, including Julie Yanda, head of the professional liability section, "obstructed" efforts to bring the nine referrals forward. She said the work of Ms. Yanda's section marked "the beginnings of a concerted effort ... to monitor the Madison investigation and exert control over certain aspects of it."

Ms. Yanda was not available for comment yesterday.

"The request for a legal review of the criminal referrals manipulated standard procedures and provided the Treasury Department the opportunity to review and selectively disseminate sensitive criminal-referral information," Mrs. Lewis said.

Mrs. Lewis also suggested that confidential information on the referrals may have been passed to the White House at a Sept. 29, 1993, meeting between Treasury General Counsel Jean Hanson and White House Counsel Bernard W. Nussbaum. Mrs. Hanson and Mr. Nussbaum, both of whom have since resigned, have said a "heads-up" on the referrals was made but have denied that inappropriate information was divulged.

"On November 9, 1993, I was removed from the Madison investigation without warning or explanation," Mrs. Lewis said. "Ironically, two weeks later I received a special achievement award for my role in the Madison investigation."



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4A

Whitewater witness: Inquiry was impeded

By William M. Welch
USA TODAY

The federal investigator who triggered the Whitewater probe, testifying over the bitter protests of many Democrats, told Congress Tuesday her efforts to unearth wrongdoing were blocked repeatedly by Washington higher-ups.

Jean Lewis, a Kansas City-based investigator for the Resolution Trust Corp., the Treasury Department agency overseeing troubled savings and loan associations, was praised by House Republicans as a courageous public servant who withstood intimidation by government officials trying to protect President Clinton.

Her appearance before the House banking committee hearings into Whitewater provoked denunciations from Democrats, who said all her allegations were being examined by independent counsel Kenneth Starr, and there was no evidence Clinton or his wife were aware of any illegality.

Amid blustery outbursts from both parties, Democrats complained Lewis was being allowed to defame government officials who weren't present to respond. Some suggested she was an overzealous investigator who had lost perspective.

"The unfairness of this is shocking, absolutely shocking," said Rep. Barney Frank, D-Mass., who branded the proceedings "McCarthyite."

But in detailed testimony, Lewis laid out initial evidence that led her to conclude there was "rampant bank fraud, including check kiting" at Madison Guaranty Savings & Loan, an Arkansas thrift controlled by James McDougal, the Clintons' Whitewater partner.

Lewis said there was evidence money from Madison was diverted to Clinton's mid-1980s gubernatorial campaign fund and to Whitewater, the Arkansas land development.

Lewis said she uncovered records showing a flow of funds between various accounts held by Madison, McDougal and others that revealed "an elaborate check-kiting scheme floating worthless checks among specific accounts intended to create the appearance of legitimate balances."

She said then-governor Clinton's political committee benefited, as did Jim Guy Tucker, now Arkansas governor and under indictment on charges growing out of the Whitewater probe.

When her findings were referred to the Justice Department for follow-up and potential prosecution, Lewis said, "There was a concerted effort to obstruct, hamper and manipulate the results of our investigation" by officials of the RTC, the Treasury and Justice departments and the U.S. attorney's office

in Little Rock.

She said Julie Yanda, chief of the RTC's professional liability section, placed an "unprecedented demand" for a staff review of Lewis' criminal referrals — which she said both delayed action and led to Treasury officials providing information to the White House.

In late 1993, Lewis said she was removed from the Madison investigation by Yanda. She said another RTC official, civil attorney April Breslaw, met with her in early 1994 "to deliver a message that 'the people at the top would like to be able to say Whitewater did not cause a loss to Madison.'"

"Of course, Whitewater did cause a financial loss to Madison, and Madison's failure cost the American people millions of dollars," Lewis said.

As further evidence of an effort to hamper her efforts, Lewis said she and two supervisors were placed on administrative leave for two weeks, without notice, and she was subjected to three unauthorized searches of her office.

The Washington Times

DATE: 8-9-95PAGE: A8

Lewis doesn't squint in the spotlight

By Sean Piccoli
THE WASHINGTON TIMES

She began by begging everyone's pardon.

"You'll have to bear with me," said federal banking investigator L. Jean Lewis, voice quavering as she arranged herself at the witness table yesterday morning before the eyes of 40 members of the House Banking and Financial Services Committee.

"I'm not used to speaking into a microphone," Mrs. Lewis said.

Murmurs went up from the Democratic half of the room.

Her disclaimer disposed of, the lead witness and main attraction in the latest congressional Whitewater inquiry spent the rest of the day behind the microphone, which seemed no impediment at all.

Praised by Republicans, who called her courageous, and challenged by Democrats, who suggested she was misguided and possibly motivated by partisan dislike of the president, Mrs. Lewis detailed her three-year investigation of a collapsed Arkansas thrift, Madison Guaranty Savings &

Investigator stands ground with panel

Loan.

The S&L's failure has mushroomed into multiple inquiries now reaching into the White House.

The House panel, chaired by Rep. Jim Leach, Iowa Republican, is one of several bodies probing Whitewater, the failed 1980s land venture involving President Clinton, then the governor of Arkansas, and Madison Guaranty President James P. McDougal, a Clinton confidant.

Mrs. Lewis, senior criminal investigator in the Kansas City office of the Resolution Trust Corp., offered the plainest allegations to date of wrongdoing, alleging her Madison-Whitewater inquiries were met with high-level interference and reprisals. Mrs. Lewis also named names.

"This committee should know that I believe there was a concerted effort to obstruct, hamper and manipulate the results of our investigation of Madison... by individuals at the RTC, the Treasury

Department, the Justice Department and U.S. Attorney Paula Casey's office in Little Rock, Arkansas."

She read virtually every word of her 15-page, single-spaced, footnoted statement in a slow, methodical voice, using "quote" and "close quote" and enunciating every digit of the dollar figures she cited in describing an elaborate Madison-run check-kiting scheme.

She also drew a crowd.

Two rows back sat Randall Terry, founder of the pro-life group Operation Rescue. During a break in testimony, he stood up to offer a departing Mrs. Lewis smiles, encouragement and a copy of his latest book.

"Be courageous," Mr. Terry was overheard saying. "God bless you."

(He was later escorted from the building by U.S. Capitol Police for hawking copies of the book.)

Other spectators included White House Counsel Abner Mikva, whose boss's name came

up frequently yesterday, and Mark Levin, chief of the Landmark Legal Foundation, the conservative Washington legal aid group helping to represent Mrs. Lewis.

She sparred with several Democrats, including the ranking minority member, Rep. Henry Gonzalez of Texas, who waved a finger in her face and scolded her for criticizing him in her opening statement.

She did not apologize.

"Mrs. Lewis, you are a brave lady," said Rep. Toby Roth, Wisconsin Republican.

Democrats conceded her diligence but questioned her motives.

"It's pretty clear she comes from a conservative political element," Rep. Maxine Waters, California Democrat, said outside the hearing room. "I think she's driven and she started out [her investigation] to get a big catch, the big catch being Bill and Hillary Clinton."

Republicans countered that Mrs. Lewis was known by colleagues for her balance and thoroughness, regardless of politics.

The Washington Post

DATE: 8-9-95
PAGE: A4

ANATOMY OF A TRANSACTION

Documents released yesterday by Republicans on the House Banking and Financial Services Committee show the complicated loans and money transfers that surrounded one small lot at the Clintons' Whitewater real estate development in the Ozarks.

With lot sales at a standstill, Hillary Clinton took out a personal bank loan in 1980 to build a prefab model home on Whitewater's Lot 13, located near the property's entrance. But the newly released documents suggest that the bank's owner, James B. McDougal, who was also the Clintons' Whitewater partner, was actually handling the debt's repayment.

Republicans contend that these documents and others gathered in a long investigation prove that the Clintons have misled the public about their involvement in the venture.

1980

■ **September:** The Clintons and McDougals decide to build a model home but Whitewater does not have funds to purchase the prefabricated model. McDougal advances \$32,000 to Whitewater from another of his real estate ventures, Pembroke Manor. Total cost of the model home is \$28,419.

■ **December:** Hillary Clinton takes out a \$30,000 loan from Madison Bank & Trust, owned by McDougal and other Clinton supporters. Soon afterward, \$30,000 is deposited into Whitewater's account and Whitewater repays Pembroke Manor \$28,000. Hillary Clinton takes title to the property.

1981

■ **December:** Lot 13 is sold to a buyer who puts down \$6,000 in cash and executes a \$21,500 note for the balance of the purchase price. Hillary Clinton's bank loan, which now totals \$36,000 with accrued interest, comes due and is not repaid.

1982

■ **January:** Whitewater pays \$6,000 to cover the interest on Hillary Clinton's loan. The loan is extended to June 1982.

■ **March:** Whitewater pays another \$2,662 on the loan, reducing the balance to \$28,000.

■ **June:** The loan matures and goes into default.

1 Hillary Clinton gets a model home

After a series of financial transfers and loans, Hillary Clinton takes title to a model home at Whitewater. She has a \$30,000 loan from McDougal's Madison Bank & Trust.

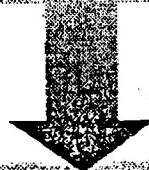
2 Hillary Clinton's loan defaults

Whitewater makes a few interest payments, but the loan defaults in June 1982.

Cont'd.

3 Bill Clinton takes out a new loan

Then-Gov. Bill Clinton takes out a \$20,800 loan from Security Bank of Paragould. The money is used to pay off Hillary Clinton's loan at Madison Bank & Trust.



4 Clintons resell Whitewater parcel.

After having their loan extended twice, the Clintons use personal money to buy back a Whitewater parcel, reselling it for \$27,000. The money is used to pay off Security Bank; the Clintons are left with \$10,504 in cash.

■ **August:** A Madison Bank official writes Hillary Clinton about arranging a repayment schedule for the loan. She writes back that the officials should "speak with Mr. or Mrs. McDougal, who have made all the arrangements for this loan."

1983

■ **Jan. 5:** Federal examiners criticize Madison Bank & Trust for making too many loans outside its service area and improper transactions with affiliated parties.

■ **September:** Gov. Bill Clinton borrows \$20,800 from Security Bank of Paragould, another state-regulated institution. Its former president, Marlin Jackson, was serving as Clinton's state banking commissioner. The money is paid to Madison and applied to Hillary Clinton's loan. An undated payment of \$5,796 completes repayment of the loan.

1984

■ **September:** Security Bank loan becomes due.

■ **October:** Hillary Clinton writes McDougal about the Security Bank loan, asking that he "please take care of it or let me know what I need to do." McDougal sends a \$4,811 Whitewater check to pay accrued interest and a principal payment. The Clintons send it to the bank asking that loan be renewed.

■ **Oct. 22:** Hillary Clinton writes McDougal again saying that her request for a loan renewal "fell on deaf ears. . . . Will you please ask someone to take care of this for us." The loan is renewed.

1985

■ **October:** Gov. Clinton again extends the loan for one year. On Arkansas State Banking Department letterhead, Jackson, the banking commissioner, sends the extension agreement to Security Bank. Jackson informs the bank that McDougal will be sending in a payment and asks that the receipt be forwarded to him.

■ **November:** Whitewater issues a \$7,322 check to Security Bank to pay interest and principal on the loan. The Clintons later improperly claim this payment as a tax deduction.

1986

■ **December:** Hillary Clinton sends in \$1,635 interest payment on the loan, which has been extended for another year.

1988

■ **May:** The Clintons buy back Lot 13 for \$8,000 after purchaser goes into bankruptcy. The money is drawn from the Clintons' personal bank account at Worthen Bank.

■ **November:** The Clintons resell lot for \$27,500.

■ **December:** The Clintons repay the Security Bank loan, leaving them with net cash of \$10,504.

The New York Times

 DATE: 8-9-95
 PAGE: A14

Whitewater Lion or Lamb? At Hearing, It's All in Eye of Beholder

By FRANCIS X. CLINES


 WASHINGTON, Aug. 8
 — Senator Lauch Faircloth
 listened patiently through
 much of today's Senate

Whitewater hearing, a permanent squint betraying his skepticism as he waited for Susan P. Thomases to demonstrate that she was indeed "the Midnight Caller" of the Clinton Administration: the unofficial power nexus to Hillary Rodham Clinton, a backstairs Richelieu who "has the juice," as one Clinton strategist once put it in expressing his wariness of her.

Instead, Ms. Thomases, a 51-year-old New York lawyer who brandishes a generation of close ties to the Clintons but no formal White House portfolio, offered the gentlest of testimony, devoid of all suggestions that she was the First Lady's tough éminence grise, ever ready to protect her from taint as the Whitewater affair goes through a grueling summer of dual hearings.

Ms. Thomases' unrelenting politeness and passivity reached the point where Senator Faircloth, a North Carolina Republican hardly in the running for the hearings' non-partisan congeniality award, let his frustration show. In a drawled burst of inquiries, he focused on the dozen telephone calls she made to the White House in the two days after the suicide of the President's deputy counsel, Vincent W. Foster Jr., in 1993.

"Call-call-call!" the Senator fumed Gatling-gun fast, doubting Ms. Thomases' testimony that far from engineering any strategy to limit inquiries into Mr. Foster's files about Whitewater and other White House secrets, she was basically on calls of compassion and grief with her close friends from the 1992 Presidential campaign.

"All of a sudden you've spilled 'the juice' — you no longer have it, right?" Senator Faircloth boomed at the witness.

He accused Ms. Thomases, who took on the task of explaining the Whitewater affair to the press in the 1992 campaign, of somehow metamorphosing into "the little lost lamb" before the lenses of the hearing's cameras.

Not rising to the invitation to come on strong, Ms. Thomases ever more gently replied that the old descriptions of her as a bold, intrusive presence, "the blunt instrument" of Mrs. Clinton's political agenda, related to the 1992 race, when she was the campaign scheduler, but not to the sad days of Mr. Foster's death nor these sensitive days of Whitewater inquiry.

"I did not discuss my appearance here today with Hillary Clinton," she firmly declared. Nor had she discussed Mr. Foster's papers with the First Lady after Mr. Foster's suicide, she said, nor helped arrange

the removal or destruction of documents from his office.

Senator Faircloth finished his time with a steamed look. He promised to get back with more questions in search of the real Susan Thomases as the witness turned to face the next questioner.

The basic identity of Ms. Thomases that so teased the committee and much of the nation's political culture had been laid down in

both the strategic and tactical needs of politics," Mrs. Clinton said two years ago of her longtime friend, a fellow board member of the Children's Defense Fund.

As Ms. Thomases testified today, her husband, Bill Bettridge, a construction engineer, sat behind her, doing pen-and-ink sketches of panel members with Daumier-like acerbity. Then he did a crossword puzzle, as if confident that the hearing was producing more ennui than intrigue.

His wife spent her most careful moments in denying the recollection of her friend Bernard W. Nussbaum, the former White House counsel, that in one of her telephone calls she had raised the issue of what procedures were being taken in the investigation of Mr. Foster's office.

"It was not really that way," Ms. Thomases said, maintaining herself to the end as more grief consultant than spin doctor in her telephone calls. "I don't remember raising the issue of any investigation."

As her testimony went forward, Democratic defenders of the Administration relaxed and even jested at the frustration of Senator Faircloth in not being able to implicate Mrs. Clinton in backstage manipulations by way of Ms. Thomases. He finally urged the committee to look into reports that all the First Lady's telephone conversations aboard Air Force One are taped.

"Where'd you hear that from?" a smiling Democrat interrupted.

"Elvis," another Democrat replied, touching off bipartisan laughter as Senator Faircloth glowered at Ms. Thomases.

earlier testimony by Margaret Williams, Mrs. Clinton's chief of staff, who described Ms. Thomases' kinetic style in maintaining her White House ties through informal weekly visits with the Clintons and numerous telephone calls to the White House's various offices.

"In our offices she is known as 'the Midnight Caller' because that's when she has all her ideas," said Ms. Williams, a controversial figure in the hearings herself for her disputed role in the removal of some Foster files to the Clintons' private quarters in the White House.

If the hearing today demonstrated anything, it is that there are more facets to Ms. Thomases than the forceful, unbridled presence that elevated her from ambitious volunteer to controversial principal on the 1992 campaign staff. Her political roots with Mr. Clinton go back to his unsuccessful race for Congress in 1974. This was after she had enjoyed her first taste of politics in the Democratic insurgent Presidential campaign of Senator Eugene J. McCarthy, at the suggestion of a former boyfriend, Harold M. Ickes, who is now deputy chief of staff in the Clinton White House.

Her reputation was furthered as the manager of Bill Bradley's election to the Senate from New Jersey in 1978. But it was the Clinton connection that got Ms. Thomases national attention, stirring critics on the President's team to call her destructive and defenders to hail her as steely enough to challenge the entrenched sexism of politics.

"A brilliant strategist who understands

The Washington Post

DATE: 8-9-95

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Friend's Testimony Contradicts

President's Aide

By Sharon LaFraniere
Washington Post Staff Writer

Susan Thomases, a close friend of the first family, told a Senate White-water committee yesterday that she never expressed any concern about how a law enforcement search of Vincent W. Foster Jr.'s office should be conducted, either on her own or on Hillary Rodham Clinton's behalf.

Her testimony is at odds with what former White House counsel Bernard Nussbaum told the committee in a deposition, and with the testimony of a lawyer who worked in Nussbaum's office. Nussbaum has said that Thomases told him "people are concerned" about the procedure; the attorney testified Nussbaum told him that Thomases voiced the first lady's concern that police not be given "unfettered access" to Foster's office.

Nussbaum later blocked Justice Department officials who wanted to review Foster's papers and turn over any relevant documents to Park Police officers investigating Foster's death on July 20, 1993. His action infuriated then-Deputy Attorney General Philip B. Heymann, who said Nussbaum's restrictions on the search undermined the credibility of the police inquiry.

Thomases's testimony leaves the senators with one more inconsistency in the accounts of how the White House handled the investigation of Foster's death. With only two more days of testimony scheduled, the special committee is facing the prospect of ending its inquiry with no clear sense of what its evidence adds up to.

Committee Democrats say it is hardly surprising that recollections of two-year-old events differ slightly; Republicans contend the discrepancies are more significant and not so easily explained.

Sen. Alfonse M. D'Amato (R-N.Y.), who chairs the panel, said yesterday he is considering recalling Margaret Williams, the first lady's chief of staff, as a witness to see why her account of certain events does not square with the testimony of others. One dispute is over what Williams planned to do with a box of documents on the Clintons' personal financial affairs that she took from Foster's office. Thomases, a private New York attorney known for her verbal blasts and influence with the Clintons, remained unusually restrained through five hours of questioning yesterday. Sen. Lauch Faircloth (R-N.C.), tried to paint her as the conduit for messages from Hillary Clinton to Nussbaum, but Thomases calmly and patiently corrected him.

"I know I never, I say *never*, received from anyone or gave to any-

one any instructions about how the review of Vince Foster's office was to be conducted or how files in Vince Foster's office were to be handled," she said.

Her answers revealed her close friendship with the Clintons and her unusual role as an unofficial White House adviser. She said Hillary Clinton called her in New York on the night of Foster's suicide, and asked her to speak to the president on her weekly visit to Washington the next day. The first lady did not mention Foster's papers or the search of Foster's office until at least two weeks after the search was conducted, Thomases testified.

Thomases said Nussbaum was the only person with whom she discussed Foster's papers in the days after Foster's body was found. In a phone call a few hours before the search was to take place, she said Nussbaum raised the issue of how it would be conducted and described to her the procedure he had settled on.

She said she responded simply: "Sounds good to me."

"I had no particular role or interest in this process," she told the committee.

In a portion of his deposition that was read aloud yesterday, Nussbaum said Thomases told him: "People are concerned about whether I was using the correct procedure... whether it was proper giving people access to the office at all."

He said he does not recall any mention by Thomases of Hillary Clinton. But he said after talking to Thomases, he might have "extrapolated" that the first lady was concerned, and relayed that impression to another White House attorney. Nussbaum is scheduled to testify today.

The Washington Times

DATE: 8-9-95PAGE: A1

Clinton pal denies calling about papers

By Laurie Kellman
THE WASHINGTON TIMES

Susan Thomases, confidante to President and Mrs. Clinton, yesterday denied that her 17 calls to the White House in the 43 hours after the death of Vincent W. Foster Jr. were aimed at shielding documents in his office from investigators.

One senator called her claim "hard to believe."

"I know that I never, never received from anyone or gave to anyone any instructions about how the review of Vince Foster's office was to be conducted or how the files in Vince's office were to be handled," Mrs. Thomases, a New York lawyer and unpaid adviser to the Clintons, told the special Senate Whitewater committee.

When she paged White House Counsel Bernard W. Nussbaum, the reason was personal, she testified. "I was really trying to reach him to find out how he was feeling and how he was doing."

"You say ... a top, brilliant lawyer spends two days talking about babies, just nice, sweet, airy, perisflage conversation on the most dramatic day the White House had ever seen," said Sen. Lauch Faircloth, North Carolina Republican. "Now that might be true, but I find that hard to believe."

The telephone calls, Republicans charged, were part of an advisory relationship between the Clintons and their longtime friend.

"I don't think you have that access to the White House because they want you to be their therapist," said Sen. Robert F. Bennett, Utah Republican.

Committee Chairman Alfonse M. D'Amato, New York Republican, is considering recalling Margaret A. Williams, Mrs. Clinton's chief of staff, who has denied taking any documents from Mr. Foster's office on the night of July 20, 1993, after his death, which authorities have ruled a suicide.

"It is something that is of concern to me," Mr. D'Amato said. "We have six or seven witnesses who ... have given testimony, at least a

different point of view, and in some cases outright contradicting hers."

Democrats accused Republicans of wanting a second Williams appearance to draw media attention back from raucous House Whitewater hearings that began Monday.

"We are now in an apparently competing situation with the House," said Sen. Paul S. Sarbanes of Maryland, the ranking Democrat on the panel. "Somehow we need to bring everybody back to get in the same coverage league."

At the time of his death, Mr. Foster was working on legal matters for the Clintons, including the tax problems of Whitewater Development Corp., the Arkansas real estate venture at the heart of independent counsel Kenneth W. Starr's investigation.

The Senate panel is looking into charges that the White House mishandled documents in Mr. Foster's office, including those related to the Whitewater affair, on the night of the deputy counsel's death; then conspired to cover up what it had done.

Yesterday the panel focused on who decided how much access to Mr. Foster's papers should be given to U.S. Park Police investigators. Republicans said Mrs. Thomases conspired with Mr. Nussbaum and others to limit the release of documents.

Mrs. Thomases and the White House have denied that charge, too.

Mr. Faircloth noted, however, that Mrs. Thomases made more than a dozen calls to the White House and Mrs. Clinton between the time of Mr. Foster's death and 1 p.m. on July 22, the time Park Police investigators were to search Mr. Foster's office.

Mr. Faircloth told Mrs. Thomases that Republicans suspect "you were directing how this was handled."

Under the Republican scenario, Hillary Rodham Clinton called Mrs. Thomases on the night of Mr. Foster's death and asked her friend of 20 years to relay a message to Mr. Nussbaum to restrict access to the Whitewater documents in Mr. Foster's office.

The ensuing telephone calls from Mrs. Thomases to the White House were efforts to direct the political aftermath, Republicans argue.

Mrs. Thomases denied that, saying the two women talked about their shock and concern for the Foster family. She said every other telephone call was an effort to "reach out" to administration officials in a time of grief.

The only administration official who mentioned the documents to Mrs. Thomases, she said, was Mr. Nussbaum, and he brought them up "spontaneously."

"He obviously was very focused on the documents," Mrs. Thomases testified. "He said not to worry, that he had a plan. He said that he was on top of it. ... He was going to protect all of the president's papers. I said, 'Sounds good to me.'"

Republicans noted that Mr.

Nussbaum, who is to testify today, said in his deposition that it was Mrs. Thomases who had first broached the subject of how to handle the documents. According to Mr. Nussbaum, Mrs. Thomases said "people," whom she did not identify, were concerned that investigators would be given "unfettered access" to the documents.

White House Deputy Counsel Bruce R. Lindsey testified that, at a closed-door meeting July 21, top White House officials debated how to give the Park Police access and preserve the president's executive privilege and the attorney-client privilege. While some officials believed no access at all should be granted the investigators, Mr. Nussbaum proposed a system whereby he would examine documents and tell the investigators whether they were relevant.

But former Deputy Attorney General Philip Heymann testified last week that an "agreement" had been reached between the Justice Department and Mr. Nussbaum that the counsel and department lawyers would jointly review the documents.

Mr. Heymann told the committee he became angry when Mr. Nussbaum "changed his mind."



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Will Nussbaum ever get it?

Clinton's former counsel has failed to learn lessons of Watergate, executive privilege.

Philip B. Heymann was special assistant to Watergate prosecutor Archibald Cox. Bernard W. Nussbaum, with Hillary Rodham on his staff, was counsel to the House impeachment investigation of Richard Nixon. So there was a legacy of shared experience with a White House cover-up when Deputy Attorney General Heymann called presidential counsel Nussbaum after the suicide of deputy counsel Vincent Foster in July 1993 and asked, "Bernie, are you hiding something?"

Nussbaum said no. But he was clearly blocking U.S. Park Police and Justice Department investigators, who were looking for a suicide note or some other clue to the motive for the suicide.

Heymann went so far as to order an FBI investigation of a possible obstruction of justice, which resulted in no charges being brought.

Nussbaum had clearly not learned the lesson of Watergate that Heymann summed up as: "A player with significant stakes in the matter cannot also be the referee." It was a lesson that Nixon himself, in the end, came bitterly to understand.

In 1974, the Supreme Court, 8-0 (with William Rehnquist recusing himself) ordered Nixon to surrender his lethal tapes. The court said that the "generalized interest of (executive) confidentiality" could "not prevail over the fundamental demands of the due process of law." The president, in other words, could not place himself above the law.

In his memoirs, Nixon showed that he finally got it. He wrote: "I was the first presi-

dent to test the principle of executive privilege in the Supreme Court, and by testing it on such weak ground — where my own personal vulnerability would inevitably be perceived as having affected my judgment — I probably ensured the defeat of my cause."



By Shayna Brennan, AP
NUSSBAUM

Nineteen years later, impeachment veteran Nussbaum was trying to invoke executive privilege to shield Clinton files in Foster's office from inspection. And he invoked not only executive privilege but lawyer-client privilege — as Nixon at one point tried to do to silence his renegade counsel, John Dean.

Privilege does not work that way.

As Yeshiva University law Professor Lester Brickman cogently explained in *The New York Times*, a lawyer cannot simultaneously represent the office of the president and the president's personal interests. If the Clinton papers that Foster worked on had turned up a possible violation of law, Foster would have had a statutory duty to refer it to the attorney general. The same went for Nussbaum.

Nussbaum, in effect, maintained in 1993 that, as head of the executive branch, the president has control of law enforcement agencies. That is what Nixon maintained in 1973 when he fired Archibald Cox and closed the special prosecutor's office in the "Saturday Night Massacre."

Cox's then assistant, Heymann, clearly had that in mind when he told Nussbaum he was "making a bad mistake."

Nussbaum clearly did not make this connection.

Maybe, in his appearance before the Senate Whitewater inquiry this week, he will indicate that he finally gets it about the limits of White House privilege.



By Daniel Schorr, a senior news analyst for National Public Radio.

THE WALL STREET JOURNAL

REVIEW & OUTLOOK

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What Is Whitewater?

With Whitewater hearings underway on both sides of Capitol Hill and White House and congressional Democrats in full spin mode, it's a good time to review what the sprawling affair is all about. It is not about some two-bit land deal a decade ago, as the defense team is fond of saying. It is about the conduct of the Clinton Presidency in the here and now.

The question is at heart whether this president and his associates have abused the authority of the nation's highest public office. Specifically, did they use the power of the Presidency to cover up the embarrassment of decade-old transgressions? And more generally, is the Clinton team now repeating in the White House the patterns and style of conduct evident in the matters dating back to Little Rock—the cut corners, the convenient losses of memory, the use of surrogates and associates to maneuver in the gray areas of what is legal and what is not?

Yesterday, over the huffing and puffing of Henry Gonzalez and Barney Frank, the government's investigators made clear they felt obstructed in their investigation of Whitewater, Madison Guaranty Savings & Loan and the Clinton's participation in and benefit from illicit money. And Chairman Leach produced documents to support his charges that at every step of the way the White House has claimed one thing while "the facts are otherwise."

It's true that in this the dollar amounts are small, even in comparison with Hillary Clinton's \$100,000 profits in the futures markets. But at the same time, there was no little to cover up. Among other things, it seems the future President and his wife had been cheating on their taxes. "Mrs. Clinton knew," Jeff Gerth of the New York Times reported on Sunday, that Whitewater Development Co. "had made payments for which she and her husband later claimed the deductions, on their 1984 and 1985 tax returns."

More broadly, evidence continues to mount that the Clintons used Madison Guaranty as their personal piggy bank. Funds from Madison and David Hale's Capital Management Services, said House Banking Committee Chairman Jim Leach on Monday, "were used to reduce the Governor's personal debt and campaign liabilities" and "to purchase a tract of land from a company to which the state had given a significant tax break."

The message we draw from the Clintons' Arkansas years is this: There was a world in which there was no normal demarcation line between public and private life. Like aristocracy in some medieval barony, the Clintons felt entitled to support, and it was the responsibility of subordinates and minions to make sure that money and excuses were always available to keep the Clinton's permanent political campaigns and careers above water.

This is the world the Clintons brought into the Oval Office, as quickly became apparent in the Travelgate affair, in Webster Hubbell's intervention in a political corruption case, in the firing of both U.S. Attorneys and White House ushers. And in the handling of the late Vincent Foster's papers by Maggie Williams, the First Lady's chief of staff, and Patsy Thomasson, one of the most suspect members of the Arkansas political mafia.

We will hear more about this as Bernard Nussbaum defends his peremptory disposition of the papers. There are of course valid concerns about executive privileges, precedents on the powers of the presidency and so on. But it is precisely the whole checkered history of this White House that call his motives into question. Yes, he was entitled to be concerned about the prerogatives of the Presidency, as Richard Nixon was entitled to fire Archibald Cox. But now as then, the public is entitled to draw the conclusions and extract the political price the context suggests.

As we listen to Mr. Nussbaum, the question to keep in mind is, who was his client? He was not Bill Clinton's personal lawyer; he was an employee of the United States government. Yes, difficult questions arise when the President's personal papers turn up on government property; the papers never should have been there in the first place. A normal presidency would have arrived in Washington and immediately transferred the president's tangled private matters to a lawyer's office at someplace like Williams & Connally. Not this one. The local lawyer handled it down the hall, serving at taxpayer expense as deputy White House counsel.

Now, there is a law, 18 U.S.C. 641, that prohibits government officials from using subordinates for personal services. We might be more willing than others to look the other way in the case of a President. But when the personal lawyer/government official dramatically kills himself, the American people are entitled to inquire about the implications of this strange set-up.

If Mr. Clinton's defenders wish to argue that the Republicans' own pedigree was besmirched by Watergate and Iran-Contra, they are entitled, though their objections drip with hypocrisy given their aggressive investigations then and their stonewalling on Whitewater when they held the majority. In any event, the Clinton presidency is the one that now occupies the White House. Its political character is a fair subject for the hearings now being conducted by Senator D'Amato and Congressman Leach, as well as a relatively small number of determined journalists amid a huge and largely indifferent Washington press corps.

The evidence mounts that in reaction to Whitewater the White House grabbed every lever of power it could reach to distort and dissemble, not because the stakes were so high, but simply because that's the way they'd learned to behave back in Arkansas.

The Washington Post

David S. Broder

No 'Imperial Presidency'

In the pages of the Aug. 14 issue of the New Republic, Michael Lind, one of its senior editors, attempts the valuable journalistic task of challenging conventional wisdom—in this case the widespread belief that Congress has come to overshadow the presidency as much as Capitol Hill physically dominates the lower stretches of Pennsylvania Avenue.

His mission is so useful and his arguments so ingenious that it's downright disappointing that in the end, he fails. The case for the "out-of-control presidency," as his article is headlined, is a dog that just won't hunt.

Lind tries to weigh the presidency against Congress and see which way the balance tips. He has a problem, for he can hardly deny that Speaker Newt Gingrich has set the agenda and dominated the news far more than President Bill Clinton.

But he argues that this "says more about the political abilities of those individual men during a passing moment in national life than about the relative legitimacy and effectiveness of the modern presidency and Congress. Congress actually continues to

Congress shut down President Ford in Vietnam, Reagan in Nicaragua and Clinton in Somalia.

lose the long-term battle ... while the imperial presidency, thought to have perished during Watergate, is alive and well."

If this were true, it would certainly defy most of the journalism produced here in the last eight months. But it is not.

The strongest evidence Lind can find for his case is that the Republican Congress, eager for reform, has contemplated steps that would weaken its own power. He is right, for example, when he says that killing the congressional Office of Technology Assessment—as the not-yet-final legislative appropriations bill would do—would deprive the legislators of an independent source of information on a wide range of questions and make them more reliant on what the president, the Pentagon and the lobbyists tell them.

But the other examples of self-defeating congressional actions he cites are all questionable. Early this year, the House and Senate passed slightly different bills to give the president line-item veto authority. Then the Republicans had second thoughts about giving Clinton more power and have delayed final action indefinitely.

Term limits, which would weaken the institutional memory of Congress, were defeated in the House. A balanced-budget constitutional amendment, which would bring the courts into fiscal policy-making, was defeated in the Senate.

Rather than emasculate itself, as Lind suggests, Congress has been flexing its muscles, most notably in shrinking the president's domestic agenda-setting role and in exercising more and more authority in foreign policy and national security decisions.

Lind suggests this is just because of Clinton's political weakness. But he fails to note that since Ronald Reagan's 1981 tax and budget victories, presidents of both parties have been stymied repeatedly in their legislative efforts. Reagan's and Bush's budgets—and Clinton's latest—routinely have been declared "dead on arrival." Bush was manhandled in the 1990 budget summit with Congress and later was induced to sign two major pieces of legislation—the Americans with Disabilities Act and the civil rights extension—which were almost wholly congressional initiatives.

Clinton's 1993 successes came chiefly on items like the family-leave and motor-voter bills, which were germinating in Congress long before his election. Bills for which he can claim parentage either are facing the threat of early extinction—like the national service corps—or never got through the legislative mill. His most important effort, health care reform, failed even to get a floor vote in the House of Representatives when Democrats were controlled by Democrats.

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As for foreign policy, the situation is even clearer. It is true that Clinton sent armed forces into Haiti without a vote of approval from Congress, but Bush felt constrained (by politics and public opinion, if not the Constitution) to get a resolution of approval for the Persian Gulf War. Meantime, Congress has become increasingly adept—and emphatic—at terminating foreign interventions. Congress shut down President Ford in Vietnam, Reagan in Nicaragua and Clinton in Somalia.

Now, Congress has gone beyond that and is attempting to dictate policy to the president on Bosnia, on missile defenses and on Pentagon weapons procurement.

Lind does his best to make the imperial presidency look like a live threat, but it's still a straw man.

Whitewater Hearings Begin on a Testy Note

Democrats See 'Witch Hunt' in GOP Charges

By Kevin Merida
Washington Post Staff Writer

The House opened its Whitewater hearings yesterday with Republicans portraying the controversy as a story of conflicts, cronyism and greed that more intimately involved President Clinton than he has acknowledged.

"What is so dispiriting about the disjunction of public policy and private ethics reflected in Whitewater is the continued refusal of the White House to face up to the facts at hand," said House Banking and Financial Services Committee Chairman Jim Leach (R-Iowa), who convened the week-long hearings.

Democrats countered that Republicans have produced no information that establishes wrongdoing by the president and are on a "witch hunt" for partisan gain. "We are not likely to learn much, if anything, that has not been explored before," said Rep. Henry B. Gonzalez of Texas, the ranking Democrat on the panel.

In a day marked by procedural wrangling and testy exchanges between lawmakers, Republicans and Democrats debated the relevance of the hearings and whether the continued pursuit of Whitewater was in the public's best interest.

Presiding over the hearing marked a reversal of roles for Leach, who has been the driving force behind Whitewater investigations on Capitol Hill. Until Republicans took control of the House this year, he was forced to pursue his inquiry from the sidelines. Last year's limited House hearings, chaired by the independent-minded Gonzalez, rendered Republicans ineffective and left them unsatisfied.

But no more. Yesterday, Leach used a nine-page opening statement to outline the reasons for the hearings, the central issues involved and the importance of establishing trust between the

electorate and its leaders. Then, in a point-by-point analysis that read like an indictment, Leach also attempted to pick apart the administration's explanations to date. "The evidence is in," he said.

Leach sought to make the Republican case by releasing weighty stacks of documents he said contain new evidence about the interconnecting relationships between Bill and Hillary Rodham Clinton and their former business partner James B. McDougal.

The Clintons and McDougal and his then-wife, Susan, jointly formed the Whitewater Development Corp. in the late 1970s.

In the hearings, Republicans are trying to establish improper transactions between the Whitewater corporation and the failed Madison Guaranty Savings & Loan that McDougal owned until the federal government shut it down in 1989. They also are trying to demonstrate a pattern of special favors granted to McDougal by Arkansas officials when Clinton was governor, highlighting the degree to which McDougal was cozy with Clinton and helped him retire his personal and political debts.

"In a nutshell, Whitewater is about the arrogance of power—conflicts of interest that are self-evidently unseemly," said Leach.

Democrats aggressively rebutted the Republicans throughout the day and sought to focus attention on why lawmakers were even there. Several noted their constituents were demanding results on more significant issues, such as Medicare and education, and were not the least bit concerned about Whitewater.

The committee called five witnesses to testify yesterday—former Federal Home Loan Bank Board examiners, General Accounting Office investigators and a former Small Business Administration official.

But before they could have their say they were forced to sit tight for four hours while Republicans and Democrats engaged in a high-octane rhetorical war.

By the time it was over, lawmakers had invoked L'il Abner, Elvis, Waco, Watergate, House Speaker Newt Gingrich (R-Ga.), Churchill, the Constitution, "Casablanca," television reruns and the O.J. Simpson trial. The latter was introduced by Rep. Gerald "Jerry" Weller (R-Ill.), who said allowing Democrats to bring in the witnesses of their choice—as they did last year—would be tantamount to allowing Simpson to wield the gavel at his own trial. To which Rep. Luis V. Guitierrez (D-Ill.) replied: "I was waiting for the O.J. trial to make the hearings. Well, it finally made it. I hope the gentleman gets his quote in the papers tomorrow."

When 43 members of Congress are allowed to make opening statements on such a partisan issue, things can quickly get out of hand. Democrats clearly tried to slow down the first day of the week-long proceedings, which they contend are prosecutorial in nature and stacked unfairly with witnesses who side with the Republican view of Whitewater.

Democrats raised "points of order," "points of information" and "parliamentary inquiries."

On several occasions Leach used his discretion as chairman to correct what he said were inaccurate statements. Rep. Barney Frank (D-Mass.), the reigning parliamentarian among Democrats, accused Leach of using powers he didn't have under the rules to silence Democrats. Frank said there was no rule "that you can't hurt the chair's feelings."

On the other side of the Capitol, a Senate committee continued its inquiry into how the president's advisers responded to a law-enforcement investigation into the death of deputy White House counsel Vincent W. Foster Jr.

Republicans on the special Senate Whitewater committee used the day to hammer home the fact that the White House allowed a presidential aide without a security clearance to rummage through Foster's papers while keeping Justice Department attorneys at bay on security grounds.

The Park Police suspected the deputy White House counsel had committed suicide on July 20, 1993, but wanted to search his papers and office for a note. The Justice Department dispatched two senior attorneys with high-level security clearances to screen the documents before the Park Police saw them, but then White House Counsel Bernard Nussbaum refused to let either the Justice Department officials or the police see the papers.

John M. Quinn, chief of staff to Vice President Gore, yesterday defended Nussbaum's decision, saying it would have been negligent and irresponsible of Nussbaum not to screen the documents for any confidential material. His obligation to protect government secrets is "not subject to compromise, I don't believe, for the sake of appearances or simply to expedite an investigation or to amount to good politics or good public relations," Quinn said.

Sen. Alfonse M. D'Amato (R-N.Y.), who chairs the panel, pounced on Quinn's arguments, asking how the president's advisers could then justify dispatching Patsy Thomasson, a White House aide with no security clearance, to search Foster's office for a suicide note. Quinn acknowledged that Thomasson's action "would have disturbed me" had he known of it.

A White House lawyer finally found a torn-up note that reflected Foster's depressed state of mind in Foster's briefcase six days after his death. White House aides testified yesterday that it took 27 hours to turn over the note to the Justice Department because they wanted to notify Foster's widow, Lisa, and get the president's approval. Said David R. Gergen, former counselor to the president: "He wanted it turned over."

Hillary Clinton stayed out of discussions about whether the note contained confidential material and who should be informed of its existence, according to C. William Burton, former staff director to the White House chief of staff. She said those "were other people's decisions to make, and she left the room," Burton testified.

Staff writer Sharon LaFraniere contributed to this report.

THE CLINTONS AND THE McDOUGALS

Here is a chronology prepared by House Banking and Financial Services Committee investigators that details the relationship between Gov. Bill Clinton and James B. McDougal. Republicans say it demonstrates the close personal and financial ties between the couples and shows that the Clintons' involvement in the Whitewater real estate venture was far from passive.

■ **1978:** Bill Clinton and James McDougal secure a \$20,000 loan from Union National Bank of Arkansas to make a down payment on the Whitewater property on the White River in the Ozarks. Soon afterward, the Clintons and McDougals sign a \$182,611 mortgage loan from the Citizens Bank of Flippen.

■ **1979:** James McDougal is employed as economic development aide to Gov. Clinton and accompanies the governor on numerous trips and public appearances. McDougal signs stock certificates for the Clintons' Whitewater stock, and he and the governor sign extensions of their loan at Union National Bank.

■ **1980:** McDougal continues to serve as Clinton's economic development aide. Hillary Clinton takes out a \$30,000 loan from Madison Bank and Trust, a small bank owned by McDougal. The money is used to build a model home on the Whitewater property in an effort to generate sales.

■ **1981:** The Clintons and McDougals renew their mortgage loan from Citizens Bank. Hillary Clinton writes to McDougal saying, "If Reaganomics works at all, Whitewater could become the western hemisphere's mecca."

THE SAVINGS & LOAN

James B. McDougal: Co-owner of Whitewater Development Corp., owner of Madison Guaranty. Member of Bill Clinton's first gubernatorial administration during the late 1970s. Forced out of Madison by federal regulators in July 1986. Self-described manic-depressive.



Susan McDougal: Married to James McDougal until late 1980s. Part owner of Whitewater Development Corp., owner of Madison subsidiary.



Bill Clinton: Arkansas governor during most of 1980s, part owner of Whitewater Development Corp.



Hillary Rodham Clinton: Part owner of Whitewater Development Corp. Rose Law Firm partner who represented Madison.



■ **1982:** McDougal buys small S&L and names it Madison Guaranty Savings & Loan Association. Regulated by the state, the S&L embarks on a risky path to rapid growth by paying high interest rates and investing heavily in real estate. Meanwhile, at Whitewater, McDougal tells Clinton he has repaid a loan Clinton owed at the Citizens Bank of Jonesboro, using proceeds of the Whitewater Development Corp. This payment has been cited previously by Republicans as a direct benefit realized by the Clintons. Clinton, then a candidate for governor, campaigns with McDougal, an unsuccessful congressional candidate.

■ **1983:** Hillary Clinton writes McDougal on Governor's Mansion letterhead to ask about their business deal. Another letter from the Rose Law Firm to McDougal references McDougal's discussions with Hillary Clinton about legal services rendered.

■ **1984:** McDougal lists Clinton as a business and character reference in a letter to the Canadian government regarding a risky real estate venture financed by Madison. Federal examiners later cite the project as a wasteful S&L venture. The Clintons and McDougals renew their Whitewater mortgage loan after Clinton belatedly files a personal income statement with the bank.

■ **1985:** With Clinton reelected, Susan McDougal gives a \$400 check to the Clinton Inaugural Committee in the name of a Madison subsidiary. McDougal recommends a Madison official for the state savings and loan board.

April: McDougal raises about \$30,000 for Clinton at a fund-raiser held in Madison's lobby. A Clinton staff memo alerts the governor to attend the function and his schedule shows he did so. A number of cashier's checks drawn from Madison and donated to the Clinton campaign were later alleged to be illegally diverted from Madison accounts.

November: McDougal sends a \$7,322 check drawn from the Whitewater account to apply toward Bill Clinton's personal loan at another bank.

■ **January 1986:** Rose Law Firm bills refer to services performed by Hillary Clinton for Madison Guaranty, which used the governor's wife for help with a state regulatory matter.

March: Gov. Clinton meets with McDougal and state health official about sewage disposal problems at one of McDougal's developments. In one meeting, according to a memo, Clinton tells staff, "Jim was your friend of 20 years who had never asked for a favor."

July: McDougal is forced out of management at Madison Guaranty after federal examiners find serious problems. Rose Law Firm ends its representation of Madison.

November: McDougal writes the Clintons about the status of Whitewater, stating, "The company to date has experienced losses totalling approximately \$90,000. . . . Susan and I have in large measure contributed to the company the funds necessary to cover these losses."

December: McDougal writes Clintons to complain that some Whitewater lot buyers have defaulted and that the venture has a \$1,000-a-month shortfall in paying its mortgage debt.

THE REGULATORS

Beverly Bassett Schaffer: State securities commissioner during Madison heyday, in charge of regulating S&Ls.

L. Jean Lewis: Resolution Trust Corp. investigator who looked into Madison's 1989 failure and requested a criminal investigation.

James Clark: a federal bank examiner, was called as leadoff witness in this week's hearings. He said he uncovered a "pyramid scheme" at Madison in the mid-1980s in which officials faked land sales and booked fictitious profits. He said he initially considered Clinton a "tentative insider" at Madison but later found no direct involvement by the governor in the scheme.

House Panel Opens a New Front In the Whitewater Investigations

By JEFF GERTH

WASHINGTON, Aug. 7 — With Republicans charging deception at the White House and Democrats complaining of a partisan witch hunt, the House Banking Committee today began a week of hearings into the financial and political underpinnings of President Clinton's investment in the Whitewater real estate deal.

Representative Jim Leach of Iowa, the Republican committee chairman, said White House arguments to the contrary, his investigators had uncovered a pattern of influence peddling in Arkansas in which Mr. Clinton's partner, James B. McDougal, had put up most of the money in the failed Whitewater venture while receiving favors from Mr. Clinton and the state government when he was governor.

Mr. Leach conceded that relatively small amounts of money were involved, but he asserted: "It is the principles at issue, not the dollar amounts, that matter. Big corruption is impossible when little corruption is not tolerated."

Democrats countered that no evidence could be produced that Mr. Clinton or his wife, Hillary, had engaged in wrongdoing or that they knew of improper conduct by Mr. McDougal. The hearings, Democrats said, were merely an attempt by Republicans to undermine Mr. Clinton's Presidency.

"This very complex matter is not a constitutional crisis by any means," declared Representative Bruce F. Vento, Democrat of Minnesota. "The timing, the agenda and the witnesses for these hearings have basically dismissed any pretense of objectivity and bipartisan pursuit of the facts."

The Banking Committee hearings marked the opening of a third front in the scrutiny of what is broadly called the Whitewater affair.

In the Senate today, a special Whitewater committee held its 10th day of hearings on the handling of office files after the suicide two years ago of Vincent W. Foster Jr., the deputy White House counsel.

Kenneth W. Starr, the independent counsel, is also investigating many of the same matters, but is operating under the secrecy rules of grand jury proceedings. Mr. Starr, having access to the most information, will likely compile the most thorough ex-

amination of the relationship between Mr. McDougal and Mr. Clinton.

So far, little public interest has developed in the case. Republicans are clearly hoping to develop material that will capture the public's fancy and politically damage the President as he begins his drive for reelection. Democrats are striving to prevent that.

The nuts and bolts of the Clintons' Whitewater investment, beginning in 1978 as Mr. Clinton was first about to take office as Governor, have been explored publicly in some detail in the last few years.

But a review of hundreds of documents the committee made public today offers a fuller and more complicated picture of a relationship in which Mr. McDougal clearly failed to obtain as much as he expected from Mr. Clinton in return for bearing the brunt of their financial partnership.

Some of today's new information included these matters:

¶ A record of scores of contacts or communications between the McDougals and Clintons in the late 1970's and 1980's. They included an Oct. 12, 1981, letter from Hillary Rodham Clinton to Mr. McDougal saying, "If Reaganomics works at all, Whitewater could become the Western Hemisphere's mecca."

¶ Details of harsh criticism by Federal regulators of the lending practices of Madison Guaranty, Mr. McDougal's savings and loan, and Capital Management Services, a federally backed lending company that made loans to several Arkansas political figures.

¶ L. Jean Lewis, the Federal investigator whose suspicions about Madison helped touch off Mr. Starr's inquiry, is expected to testify on Tuesday that her efforts were impeded by senior officials in Little Rock and Washington, according to copies of the prepared text for her testimony provided today to reporters.

In the Senate hearing today, little new ground was broken.

Thomas F. McLarty 3d, the White House chief of staff at the time of Mr. Foster's death, told the Whitewater panel that after Mr. Foster's note of disillusionment was found on July 26, 1993, he decided not to in-

form the President until the next day, even though Mr. McLarty knew that Mrs. Clinton had been told of the note's existence just a few moments after it was found.

Mr. McLarty, who was with the President in Chicago when the note was discovered in Washington in 27 pieces at the bottom of Mr. Foster's briefcase, said that he had been "perplexed" upon hearing of the note and decided not to brief Mr. Clinton "until we had a plan of action." Mr. McLarty and Mr. Foster were lifelong friends and met in kindergarten in Hope, Ark., where the two also first met the future President.

The note was not turned over to investigators until about 30 hours after its discovery, prompting criticism from Republicans and investigators. The White House has said it delayed turning over the note so that it could be shown to Mr. Foster's widow and Mr. Clinton.

At the House Banking Committee, today's hearings mainly involved events in the mid-1980's, as Mr. McDougal struggled to keep his financially ailing empire afloat. He and his companies had absorbed the brunt of Whitewater's losses, even though the venture's profits or losses were supposed to be shared 50-50 with the Clintons.

Mr. McDougal faced several Arkansas state agencies on issues essential to his business interests, the documents released today showed. His savings and loan was chartered and regulated by the state, and a state agency leased office space from him. He also tried to get Mr. Clinton to dismiss a state health inspector and sought Mr. Clinton's help on a brewery project that never materialized.

In an interview in 1992, Mr. McDougal described his relationship with Mr. Clinton as uneven, in that he thought his political and financial favors for Mr. Clinton exceeded what Mr. Clinton gave back.

Still, Republicans charged today that there was a pattern of exchanged favors, while Democrats responded that Mr. McDougal received no special treatment.

In the case of the health inspector that Mr. McDougal wanted dismissed, for example, the official was reassigned, but to the disappointment of Mr. McDougal, he was not discharged. A note from a Clinton aide, dated March 21, 1986, quoted Mr. McDougal as saying "he hadn't spent \$60,000" on Mr. Clinton over the years to watch them bested by a health inspector.

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Mr. McDougal's most pressing concern was his savings and loan, which eventually went under at a cost to the Federal Government of more than \$60 million. Federal examiners had harshly criticized the institution in 1984, but Mr. McDougal had staved off any serious action. At the same time, he was also being regulated by state authorities, and documents released today showed that he advised Mr. Clinton on appointments to the state regulatory agency.

Republicans held at the hearing today that Mr. McDougal should have been removed from his position

of control at Madison long before he was in July 1986.

The Democrats, citing a study by two outside experts, said Madison received no preferential treatment and blamed some of the lax regulation on Republican Administrations in Washington. The study did fault state and Federal regulators for not being stronger or quicker in moving against Madison in the mid-1980's, increasing the eventual cost to taxpayers.

Ms. Lewis, the investigator from the Resolution Trust Corporation who examined Madison and who is scheduled to testify Tuesday, is prepared to say: "I believe there was a concerted effort to obstruct, hamper and manipulate the results of our investigation of Madison — and the subsequent independent counsel investigation — by individuals at the R.T.C., the Treasury Department, the Justice Department and U.S. Attorney Paula Casey's office in Little Rock, Ark."

Ms. Lewis said she learned that a special Justice Department prosecutor who was investigating Madison before an independent counsel was chosen had told people at a November 1993 meeting that his copy of her criminal referral on Madison "arrived with an unsigned post-it note on it stating, 'We wouldn't be unhappy if this went away.'"

Carl Stern, the Justice Department's chief spokesman, said that Ms. Lewis's charges were "preposterous."

"She may be well-intentioned but she's clearly misinformed," he said.

Today's witnesses included two Federal examiners whose 1986 review of Madison led to Mr. McDougal's ouster. They said that Madison was one of the most abusive savings institutions they had dealt with but that Mr. Clinton was not part of the questionable dealings.

House takes up Whitewater

2nd probe opens on harsh note

By Jessica Lee
and William W. Welch
USA TODAY

Nasty partisanship marked the start of the House probe of the Whitewater affair Monday as Republicans promised to show that President Clinton gained financially, while Democrats demanded proof.

In the 3-week-old Senate hearings, meanwhile, top Clinton aides recalled the president was overcome with grief after deputy counsel Vincent Foster's death and said the first family raised no concerns about documents Foster had.

Focusing on lending practices of the Madison Guaranty Savings & Loan, House hearings opened with Rep. James Leach's accusation that Clinton displayed "the arrogance of power, conflicts of interest that are self-evidently unseemly."

Leach, R-Iowa, House banking committee chairman, said he'd release documents showing "out-of-pocket costs of (the Clintons') investment in White-

water were minimal, while direct benefits were substantial."

Rep. Henry Gonzalez, D-Texas, who chaired hearings last year, countered: "There is no evidence that Bill or Hillary Clinton knew anything about ... much less participated in" financial dealings that made Madison Guaranty, owned by Clinton Whitewater partner James McDougal, insolvent.

Rep. Edward Royce, R-Calif., described the Whitewater land deal as financed by a "massive check-kiting scheme" characterized by Clinton's "ethics of greed."

Rep. Gary Ackerman, D-N.Y., accused GOP leaders of timing the hearing to elicit maximum news coverage.

Republicans claimed Clinton covered up personal profits from the money-losing Whitewater land deal and slowed a federal investigation.

Democrats dismissed the allegations as groundless and delayed the hearing with a series of parliamentary maneuvers.

When the witnesses finally testified after waiting five hours, bank examiner James Clark said he listed then-governor Clinton as a "tentative in-

sider" in Madison Guaranty's practices of making unreimbursed loans. He said he based his conclusions on Clinton's connections to McDougal.

But Rep. Joseph Kennedy, D-Mass., cut to the core of the hearings with a question to all five witnesses: "Did your investigation indicate any illegal activities on the part of the Clintons?" Each answered no.

In the Senate, former Clinton adviser David Gergen said he didn't hear Clinton say anything about moving documents in the hours after Foster's July 20, 1993, suicide. Instead, he

said, Clinton reminisced about growing up with Foster.

"It had a devastating impact. The president himself was grief-stricken," Gergen said.

William Burton, former assistant to then-chief of staff Mack McLarty, described the scene in the office of White House counsel Bernard Nussbaum when he showed Hillary Clinton pieces of a torn-up note inside Foster's briefcase.

"He started to read the note to her, at which point she interrupted him," Burton testified. He said she left after glancing only briefly at the note.

Original investigator testifies today

Federal Resolution Trust Corp. investigator Jean Lewis, whose inquiry led to appointment of a Whitewater special counsel, testifies before the House banking committee today.

Lewis investigated Whitewater in 1992, ultimately recommending a full-scale criminal investigation just before the 1992 election.

Justice Department officials, still under the Bush administration, did not agree. A review under the Clinton administration also led to no investigation.

But in the fall of 1993 Lewis wrote more criminal referrals to the Justice Department, suggesting Clinton's gubernatorial campaign benefited from savings and loan money disguised as campaign donations.

News of the referrals led to suggestions the Clinton administration was trying to delay any investigation, eventually forcing Clinton to accept appointment of a special prosecutor.

Lewis said some money that went to the gubernatorial campaign came from Madison Guaranty Savings & Loan, owned by James McDougal, a longtime Clinton friend and investor with the Clintons in the Whitewater land development in northern Arkansas.

The connections between McDougal's savings and loan and Whitewater — and whether he used Madison S&L money to keep Whitewater solvent at the expense of taxpayers, who ultimately paid for Madison's failure — is at the heart of banking committee hearings.



By Laurie Tedford, AP
McDOUGAL: Clinton Whitewater business partner

Clintons Depicted As Active in Venture

Tax Deductions Related to Whitewater Cited

By Susan Schmidt
Washington Post Staff Writer

House Republicans yesterday laid out their most exhaustive case thus far to try to prove that President Clinton and Hillary Rodham Clinton improperly benefited from their relationship with former Arkansas S&L owner James B. McDougal, their partner in the Whitewater real estate venture.

Banking and Financial Services Committee Chairman Jim Leach (R-Iowa) presented a three-inch stack of documents amassed in the committee's lengthy investigation that documented a decade of contacts between the Clintons and McDougal and strongly challenged the Clintons' assertions that they were passive investors with little involvement in the Ozarks land venture.

For the first time, the Republicans compiled extensive evidence from Arkansas state files that Clinton, as governor, assisted McDougal in several state matters related to some of his controversial mid-1980s development projects. And the Republicans offered an expert analysis of the Clintons' federal income taxes that they said showed the couple underpaid the IRS by \$13,272 by claiming Whitewater deductions to which they were not entitled.

The Clintons, who have already repaid the IRS for several improper Whitewater deductions, took additional questionable deductions for loans, a land payment and other advances they made in connection with Whitewater, said the analysis. And it said that the Clinton's \$58,700 share of Whitewater's ultimate cash shortfall was covered by infusions of funds from McDougal, a situation that in effect provided them income that they should have reported.

The White House called the Republican presentation the "same shopworn allegations" that have

been circulating for the past three years, since the Whitewater controversy erupted during Clinton's campaign for president. House Banking Committee Democrats condemned the Republicans for launching yet another partisan attack on the Clintons over allegations that they say remain unproven.

But the Republicans took care to present a meticulous case, drawing heavily from documents gathered from the files of state and federal regulatory offices and Clinton's gubernatorial record.

On the tax issue, they backed their contentions with a statement from former Internal Revenue Service commissioner Donald Alexander, appointed in the 1970s by President Richard M. Nixon, saying he had reviewed the analysis and agreed with it. Democrats on the panel objected to the introduction of Alexander's opinion and the Clintons' lawyer said it is wrong.

The analysis found the Clintons deducted \$41,187 in Whitewater expenses from their income taxes, when only \$17,095 should have been claimed. It also said the Clintons had \$7,508 in Whitewater income that was not reported.

"The committee's methodology is flawed," said a statement issued by lawyer David Kendall. "We need only observe that the Clintons' 1979 return, which includes one of the deductions challenged by the Republicans, was audited by the Internal Revenue Service in 1982, with a particular focus on Whitewater interest deductions, and the return was approved without change."

Republicans repeated charges yesterday that most of the funds the Clintons put into Whitewater were loans that were later paid off by others, including the Whitewater corporation and affiliates of McDougal's S&L, Madison Guaranty Savings &

Loan Association. But they also attempted to establish that by draining money out of Madison—an amount estimated by Leach at \$88,000—the Whitewater venture contributed to the S&L's eventual failure.

A recent report prepared for the Resolution Trust Corp. by lawyers hired to evaluate whether the government should bring a lawsuit against anyone connected to Madison found that McDougal and Madison-affiliated companies he controlled covered most of Whitewater's costs.

That report said that although the Clintons and the McDougals were 50-50 partners in the Whitewater venture, McDougal and his companies covered more than three-quarters of the \$194,493 in cash shortfalls. Whitewater independent counsel Kenneth W. Starr has been trying to determine whether any of those funds were siphoned from Madison's deposits, something the RTC lawyers said they were unable to fully trace.

Recently, in written questions and answers provided to the Resolution

Trust Corp., Clinton said, "I have no knowledge that monies obtained directly or indirectly from WDC or any account at WDC or Madison Guaranty were ever improperly used to pay any of my or my wife's personal or political expenses or debts."

Some of the documents made public yesterday shed new light on the actions of Beverly Bassett Schaffer, who as the Clinton-appointed state securities commissioner during the mid-1980s was Madison's regulator. McDougal has bragged in the past that he got Clinton to name Schaffer to her post, but she has said she never even met McDougal.

Schaffer represented Madison on a regulatory matter as a private attorney in 1984, according to a letter she wrote the state securities commission that was discovered in Madison's files. Clinton named Schaffer, a

political supporter, to the securities post in 1985. While it was known that she drew up a legal memorandum on a Madison-related issue at a law partner's request in 1984, it was not known that she had gone so far as to present material to the savings and loan regulators.

Schaffer has maintained that she gave no special treatment to Madison, which sought and won from her in 1985 permission to issue preferred stock. Madison never went forward with the plan.

Hillary Clinton was one of Madison's lawyers on the proposal, but she has minimized her role. In a letter to McDougal, taken from Madison's files, the governor's wife notified him that Schaffer had approved the plan.

A sworn statement taken by the committee from former securities department lawyer Bill Brady said that

he wrote Schaffer a memo stating he did not think Madison was legally permitted to pursue its stock plan, but that Schaffer overruled him and sent a letter to Hillary Clinton approving the plan. Neither Brady's memo nor Schaffer's 1984 letter to the S&L regulators was produced to the committee by the state of Arkansas, but the committee found a copy of the Schaffer letter in Madison's files.

Among the more than 330,000 records from Madison's files, the RTC, the president's lawyer and other sources Republicans have amassed are memos that do show McDougal, who served briefly as Bill Clinton's economic development aide, weighed in with the governor on regulatory appointments. He pushed Madison's young president for the state S&L board, and Clinton named him. When someone else sought the governor's blessing for the S&L board in a letter to the Clinton, the governor, in a scribbled notation to a staff member, wrote "please call McDougal."

Republicans also charged that in return for carrying more than his share of the Whitewater burden and for campaign contributions, McDougal was favored with preferential treatment from the state.

The White House quickly refuted the charges, saying that "after three years of unprecedented and intense scrutiny, claims of a quid pro quo have been shown to be false."

For example, the documents describe how in the mid-1980s, McDougal sought to use his influence with then-Gov. Clinton to hold off regulatory officials who were pressing him to improve sewage treatment at three real estate developments.

Clinton attended a meeting with state health officials and McDougal in March 1986. Clinton described McDougal as "a friend of 20 years who had never asked for a favor."

A week later, three different officials were put in charge of solving the sewage problems at McDougal's developments.

In another instance, McDougal, in a 1984 memo to Clinton aide Betsey Wright, claimed the governor had "made a commitment" to him on a bill that would have permitted beer tasting at a proposed brewery at a Madison project. The bill was withdrawn in favor of a regulatory change, another issue that Hillary Clinton did work on.

Staff writer Sharon LaFraniere contributed to this report.

'Rampant' fraud at Madison S&L helped Whitewater, prober found

RTC official to tell of effort to hurt inquiry

By Jerry Seper
THE WASHINGTON TIMES

A government investigator will tell the House banking committee today that officials at Madison Guaranty Savings and Loan Association committed "rampant bank fraud" and "elaborate check-kiting schemes" that benefited several Arkansas real estate ventures, including the Whitewater Development Corp.

L. Jean Lewis, who led the Resolution Trust Corp. (RTC) investigation of Madison, will testify during the second day of Whitewater hearings about a "concerted effort" by the RTC, the Treasury Department, the Justice Department and the U.S. Attorney's Office in Little Rock to "obstruct, hamper and manipulate" the Madison inquiry.

Madison was owned by James McDougal, a partner with President and Mrs. Clinton in Whitewater, a real estate venture on the White River in the Arkansas Ozarks.

Mrs. Lewis, described as a "make-or-break" witness for the Republicans, declined to testify at last year's Whitewater hearings, saying she was the victim of "character assassination" by the panel, then controlled by Democrats.

According to a copy of her 16-page opening statement, furnished yesterday to several news organizations, Mrs. Lewis will tell the House panel the obstruction of the RTC probe continued in an effort to thwart the independent counsel's investigation of Madison and Whitewater.

"The flow of funds among accounts revealed an elaborate check-kiting scheme floating worthless checks among specific accounts intended to create the appearance of legitimate balances," she says. One of the beneficiaries was the Whitewater project.

"Many of the checks we traced had the word 'loan' written on them, but the checking accounts did not generally maintain sufficient funds to cover the so-called loans."

The money paid from these accounts, Mrs. Lewis said, included real estate and loan payments to, among others, the Bank of Cherry Valley, Ark., where Gov. Bill Clinton held a \$50,000 personal note.

The suspected scheme, Mrs. Lewis said, provided money to the Clinton Political Action Fund, with contributions going directly to Mr. Clinton or to the campaign. They later were deposited to the Bill Clinton Political Committee account at the Bank of Cherry Valley.

Mrs. Lewis, who sent 10 criminal referrals recommending prosecution in the Madison case in late 1993 to the U.S. Attorney's Office in Little Rock, will testify that among those who benefited directly from the check-kiting schemes were the Clintons.

The referrals have become the focus of independent counsel Kenneth W. Starr.

The White House yesterday said a Treasury Department report by former U.S. Attorney Jay Stephens did not find that Madison funds had been diverted improperly to the Whitewater account.

"If the committee is really concerned about the truth, the [Stephens] report is more comprehensive and more current," special associate counsel Mark Fabiani said.

Mrs. Lewis' testimony, along with that of two RTC supervisors, Lee Ausen and Richard Iorio, who approved the referrals, will likely raise the temperature of the contentious House hearings. Much of yesterday's morning session was punctuated by partisan bickering, led by Rep. Barney Frank, Massachusetts Democrat.

Mr. Frank, detailed last year by the White House as its unofficial Whitewater spokesman, continued to challenge the purpose of the hearings and the accuracy of the accusations.

Committee Republicans, who laid out a paper trail of suspected Madison-Whitewater ties during the session, are trying to trace Madison funds to the Whitewater investment. They also are looking to see whether Madison funds

were diverted to Mr. Clinton's gubernatorial campaigns or were used to pay off personal loans.

Madison was closed in 1989 at a cost to taxpayers of \$50 million.

Meanwhile, the special Senate Whitewater committee yesterday heard from Thomas F. "Mack" McLarty, the former White House chief of staff; White House counselor John M. Quinn; former presidential aide David Gergen; and Bill Burton, a former White House aide.

Mr. McLarty testified it was his decision to wait a day to tell Mr. Clinton that a note had been found in the briefcase of Vincent W. Foster Jr., the White House deputy counsel. The note was discovered

six days after Mr. Foster's death July 20, 1993. The death was ruled a suicide.

Mr. McLarty said federal authorities were looking for a note, but he wanted to wait "until we had everything in order."

House banking panel Chairman Jim Leach opened his hearings by saying Whitewater is about the "arrogance of power," adding that the McDougals "provided virtually all the money" while Mr. Clinton "provided his name."

The Iowa Republican said records will show the Clintons got "substantial" benefits from the Whitewater project and from Madison, and he noted that nine persons have been convicted in the Whitewater probe. He said three others await trial.

The committee's ranking Democrat, Rep. Henry B. Gonzalez of Texas, set an early tone of what

evolved into a rancorous hearing, saying he was "saddened" by the "pointless partisanship" of the Republicans.

Mr. Gonzalez, who was himself accused of partisanship for his direction of Whitewater hearings last year, said the evidence shows that Madison was "badly abused" but not that the Clintons were involved.

Mr. Leach said records show that Whitewater received infusions of cash from Madison and Capital-Management Services Inc., a lending agency in Little

Rock licensed by the Small Business Administration. Capital-Management's owner, David L. Hale, has accused Mr. Clinton and Mr. McDougal of pressuring him for an illegal \$300,000 SBA loan.

Mr. Leach said documents, more than 300,000 of which have been collected by his committee,

show that at least \$88,000 was routed from Madison to Whitewater, that the Clintons put no resources into Whitewater except for loans paid back by the company or others, and that the couple's out-of-pocket costs were minimal "while direct benefits were substantial."

Mr. Leach said that despite the Clintons' claims of no active involvement in the Whitewater project, the records show otherwise. He said the "only passive investor in Whitewater was the tax-paying public" and suggested a quid pro quo in the relationship between Mr. Clinton and Mr. McDougal.

He said that as governor Mr. Clinton intervened on behalf of Mr. McDougal with state Health Department officials who were investigating sewage-treatment deficiencies at one of his developments, and ensured favorable state treatment for a brewery operation at another McDougal-controlled project. He said Mr. Clinton also directed state agencies to lease office space from Madison when cheaper, more desirable space was available.

During yesterday's House hearings, former federal regulators testified they found no connection between Mr. Clinton and Madison or any evidence of illegal activities. But James Clark, who was a Federal Home Loan Bank Board examiner, qualified his answer when he was asked whether he had seen evidence of Clinton wrongdoing: "Since I didn't uncover personally any activities that the Clintons were involved in, the answer is no."

Hillary saw new 'Mecca' in venture

THE WASHINGTON TIMES

First lady Hillary Rodham Clinton, a self-described "passive investor" in the Whitewater real estate project, at one time held out heavenly hopes for the northern Arkansas venture.

In an Oct. 12, 1981, letter, Mrs. Clinton told her Whitewater Development Corp. partner James B. McDougal:

"If Reaganomics works at all, Whitewater could become the Western Hemisphere's Mecca."

The comment is included in a letter showing that she and her husband, then-Gov. Bill Clinton, signed loan-extension papers and urged Mr. McDougal, who later took over Madison Guaranty Savings and Loan Association, to have the papers notarized. The letter was among the documents released by the House banking committee.

"Hillary Rodham Clinton, in her commencement address to the 1993 graduating class of the University of Michigan, assured us that 'throughout the 1980s, we heard too much about individual gain, about the ethos of selfishness and greed,'" said Rep. Edward Royce, California Republican. "And that 'the 1980s were about acquiring wealth, power and privilege.'"

"We see that Mrs. Clinton readily invoked that 'ethos of greed' with regard to Whitewater."

— Jerry Seper

WHITEWATER HEARINGS

This week's House banking committee witnesses:

- L. Jean Lewis, Resolution Trust Corp. investigator, Kansas City, Mo.
- Richard Iorio, RTC investigator, Kansas City
- Lee Ausen, RTC investigator, Kansas City
- James Resnick, inspector general, Federal Deposit Insurance Corp.
- John Adair, RTC inspector general
- Webster L. Hubbell, former associate attorney general

This week's special Senate Whitewater committee witnesses:

- Susan Thomases, confidant of Hillary Rodham Clinton and partner in the Willkie, Farr & Gallagher law firm
- Bruce Lindsey, assistant to the president and White House deputy counsel
- Bernard Nussbaum, former White House counsel and partner in the Wachtell, Lipton, Rosen & Katz law firm

The Washington Times

Jim Leach, velvet hammer

Mellow chairman wields mean gavel

By Sean Piccoli
THE WASHINGTON TIMES

Taking a cue from Teddy Roosevelt, the chairman of the House committee investigating the Whitewater-Madison debacle talked softly yesterday but swung a big stick.

Rep. Jim Leach, Iowa Republican, launched the House phase of the Whitewater inquiry yesterday with a combination of kind words and bone-jarring gavel play, setting the tone for a hearing that observers and players agreed was by turns cordial, tedious and raucously partisan.

"I appreciate the gentleman's remarks," Mr. Leach kept telling his Democratic colleagues. He went so far as to salute one, Rep. Maxine Waters, California Democrat, for "a most cogent defense" of President Clinton, who has been unable to shake off the Arkansas financial scandal that followed him into the White House.

But appreciation only went so far. Under a hail of interruptions by Democrats, who pelted the chairman with points and objections, Mr. Leach's priestly demeanor melted more than once during opening statements, which lasted almost five hours. And out came the gavel.

With two loud cracks of his ceremonial cudgel, he quieted a feisty Rep. Barney Frank, Massachusetts Democrat, in the middle of a fight over procedure.

"The gentleman will desist," Mr. Leach said, still managing to sound serene.

Rep. John J. LaFalce, New York Democrat, was cut off with four whacks of the parliamentary hammer, the last two as loud as gunshots.

Meanwhile, Rep. Henry B. Gonzalez of Texas, the ranking minority committee member who wielded the same instrument last year as chairman of the Democrats'

With two loud cracks of his ceremonial cudgel, Mr. Leach quieted a feisty Rep. Barney Frank, Massachusetts Democrat.

Whitewater inquiry, sat quietly in his chair next to Mr. Leach, smiling across the half-empty hearing room.

With Congress officially recessed, and with another Whitewater probe going on simultaneously in the Senate, the House hearings were not the big Day One draw that the Waco inquiry was.

The Banking Committee set up an overflow room next door, but there were more television sets than people inside it.

Several Democrats belittled yesterday's hearings as more of the same and criticized the timing — in the middle of recess, with little else happening on the Hill — as a political attempt to maximize nightly news coverage.

"It's a slow news month," Rep. Thomas M. Barrett, Wisconsin Democrat, said he told a constituent on a recent trip home.

Mr. Frank quickly emerged as the loyal opposition leader, tossing out quips and points of order in a performance reminiscent of Rep. Charles Schumer, New York Democrat, in the Waco hearings.

Waco references abounded in opening statements yesterday. Democrats and Republicans also baited each other with O.J. Simpson and Elvis Presley jokes.

Mr. Leach delivered a sober 25-minute opening statement in which he concluded, "It is time for the Whitewater story to be told."

The House is investigating illegal financial ties between Arkansas' failed Madison Guaranty Savings and Loan Association and

Whitewater Development Corp., a failed partnership of Mr. Clinton, first lady Hillary Clinton, Madison owner James B. McDougal and his wife at the time, Susan.

An independent counsel, Kenneth Starr, also is probing whether Madison funds were improperly diverted to Whitewater and to the campaigns of several prominent Arkansas politicians, including Mr. Clinton. Madison, also the subject of a probe by the Resolution Trust Corp., was seized by federal regulators in 1989 at a cost to taxpayers of \$50 million.

The Sounds and the Fury of the Whitewater Hearings

By FRANCIS X. CLINES

CAPITOL SKETCHBOOK

WASHINGTON, Aug. 7 — Pity the Congress's only Socialist today as the newest Whitewater hearings opened with five solid

hours of tooth-and-claw partisanship among panel members before even getting to the first witness.

"Excuse me, but I feel this very strongly," apologized Representative Bernard Sanders, Socialist of Vermont, furious at the proceedings after he fairly staggered from the hearing room. The Congressman, bewailing the inquiry as a far tangent from more essential public business, stood on the steps of the House Rayburn building. He looked apoplectic and more solitary than ever amid what opening statements were well recertifying as the ultimate two-party town.

"Sixty-one percent of the American people did not vote," Mr. Sanders said, his voice at a groan, his body leaning as if to kick the building cornerstone. "If we don't talk about issues of far more enormous consequence, we're going to have fewer and fewer people voting and only make a cynical country more cynical."

The lawmaker stared unblinking at a questioner, wondering aloud whether a Congressman can make any point with credibility these days. "This is now the fourth Whitewater hearing taking place," he said. "Very clearly, it is being scheduled this week so that the media can focus on this issue rather than 20 other issues going on."

He went off alone into the day as the gathering inside hearing room 2128 went forward with opening speeches by dozens of panel members, sitting three tiers high and two parties deep. The Banking Committee chairman, Jim Leach of Iowa, resorted to the gavel increasingly as members of the Democratic minority turned to rule-book challenges and shouts of "Point of order!" in their complaints that the hearing procedures were rigged to impugn President Clinton.

"Regular order!" demanded members of the Republican majority as the hearings veered heavily off course in the welter of Democrats' complaints, inquiries and mockery.

"Point of order!" responded a Democrat, demanding to know why 200 copies of each witness's testimony was not in hand for both sides 24 hours before testimony, as required by Rule 4, Subsection 2 of House procedure.

Mr. Leach, a gentle-faced man who worked hard to press the Whitewater issue to the fore and wield the majority gavel, seemed boggled at times as the scene bordered on a rugby scrum-mage. At his left ear, two staff lawyers whispered parliamentary promptings each of which he announced with an instant's delay in dispatching the Democrats' complaints.

"Point of information!" one Democrat finally demanded.

Mr. Leach leaned to his prompter, wondering at this new cry. He suddenly smiled and announced, "There is no such thing!"

Republicans were ready with their own heated points. Declaring that the key to politics was "an infinite capacity to absorb baloney," Representative Bob Barr of Georgia dismissed the Democratic cries as a fresh pile of cold cuts. "The American people already understand why these hearings are important," he said, glaring back at the opposition.

As if to simplify for the watching public, his colleagues larded up their opening statements with some of the more inviting phrases of skullduggery. Representative Jon D. Fox, Republican of Pennsylvania, managed in one tight declaration to include "selfish greed," "spin and stonewall" and "damage control" in summarizing suspicions about the Clinton White House.

Across Capitol Hill, the Senate's separate Whitewater hearing moved into its fourth week, clearly the more technologically superior. Big reproductions of some doodle-styled notations from White House files filled the hearing's nine TV

screens. A jotted message about "someone other than Bernie" confirmed for Whitewater buffs that the Senate drama remained at the teasing stage of Waiting for Nussbaum: Bernard W. Nussbaum, the former White House counsel, who will finally speak later this week.

With Whitewater hearings reaching cineplex proportions, the rest of the city was firmly into a summer lull. Halfway down Pennsylvania Avenue between the White House and Congress, traffic was cut off and a crowd gathered at the making of a Hollywood movie. Oliver Stone, the director who did so much to clarify the Kennedy assassination, was making a movie about Richard Nixon, and Washington seemed ready to absorb whatever results.

Six cans of diet soda were arrayed before one Republican at the House hearing, J. D. Hayworth of Arizona, a moon-faced lawmaker slaked for a long-haul inquiry. Across the room, a Democrat, Bill Orton of Utah, took occasional breaks by dandling an infant within hearing and cameras of the proceedings. He could be seen cooling inarticulately at the swaddled creature as a pointed hearing colloquy dwelt on whether people were about to be unfairly "degraded and defamed."

"The Republican strategists thought that the O. J. trial would be over by now," Representative Gary L. Ackerman, Democrat of Queens, told the hearing, sarcastically arguing that with most other Washington news fading in August, the Republican Party had afforded itself a showcase opportunity. "Bring out the elephants and on with show," he said.

If it is a show, it is "Dragnet," not the circus, responded Fred Heineman, Republican of North Carolina, a former policeman who characterized Whitewater as "an inside job."

"As Jack Webb used to say, 'Give us the facts, ma'am,'" Mr. Heineman said with a big smile, obviously enjoying his riposte as the first witness es sat and waited, watching the lawmakers and listening to them all talk first.

Leach: Whitewater Is 'Case Model In How Not to Handle Scandal'

Excerpts from the prepared statement of Rep. Jim Leach (R-Iowa), House Banking and Financial Services Committee chairman, opening hearings on the failure of Madison Guaranty Savings & Loan Association and related matters.

Some question whether Whitewater is a story that needs to be told. The larger question would be how, in a democracy committed to the rule of law, it could be ignored.

Some question whether there is anything there. To this query I would caution skeptics by noting that to date nine persons have been convicted, three await trial, and the Independent Counsel's investigation is continuing. While it is important that this Committee not imply that the established or contended guilt of some implicates others, it is also important to understand the seriousness of the issues at hand. . . .

From a public perspective, Whitewater is a case model in how not to handle scandal. At every step in the road the White House and Congressional leadership moved in lock-step to avoid full disclosure and a hearing on the failure of Madison Guaranty and its ties to Whitewater. Indeed, this Committee, which has oversight responsibility for the laws that affect the nation's financial system, not only refused to hold statutorily required oversight hearings but called off a scheduled hearing when the minority formally requested a day of hearings designated for its own witnesses, as provided by House rules. Moreover, in an unprecedented act, the former Chairman requested in writing that the Executive Branch deny Congress documents critical to Committee oversight. It is only with a change in control of Congress that the Committee has been able to require Executive Branch agencies to produce documents which are routinely provided committees of jurisdiction. . . .

In a nutshell, Whitewater is about the arrogance of power—conflicts of interest that are self-evidently unseemly. It all began in the late 1970s

when a budding entrepreneur named Jim McDougal and his wife formed a 50-50 real estate venture with a young politician, the then Attorney General of Arkansas, Bill Clinton, and his wife. In this venture called Whitewater, the McDougals provided virtually all the money; the governor-in-the-making provided his name.

Over the years, the company received infusions of cash from an S&L called Madison Guaranty which McDougal came to control, as well as from a Specialized Small Business Investment Corporation called Capital-Management which diverted, allegedly at the Governor's request, federally-guaranteed funds from a program designed for the socially and economically disadvantaged.

Part of these funds were used to reduce the Governor's personal debt and campaign liabilities; part to purchase a tract of land from a company to which the state had just given a significant tax break.

Whitewater records are not completely intact, but a review of the numerous land transactions raises questions of what happened to the money that came into the company, and a review of the tax records raises questions about tax deductions that were taken and income that may not have been declared.

Under the governorship of Bill Clinton, Madison Guaranty appeared to prosper. In less than a decade it mushroomed 25-fold until federal regulators forced its closing, at which time taxpayers were handed a tab for losses that amounted to approximately \$60 million, or 60 percent of the institution's deposit base.

Likewise, Capital-Management eventually failed at a \$3.5 million cost to taxpayers. What is so disconcerting about the failure of this government-backed Specialized Small Business Investment Corporation is not just the personal aggrandizement so apparent, but the gall of those involved, the notion that an insider political class considered itself above the law. When the powerful are allowed to take from the power-

less, the end result is a divided society, economic segregation.

Madison Guaranty, in turn, is part and parcel of the story of the costliest domestic policy mistake of the century—the quarter trillion dollar S&L debacle. . . .

Even among states with S&L problems, Arkansas stood out. During the 1980s, the federal government was forced to take over more than 90 percent of Arkansas's state-chartered S&Ls. In relation to the state's S&L deposit base taxpayer losses were staggering. Governor Clinton's failure to fulfill his responsibility for policing the state's financial institutions had the effect of increasing tax burdens on citizens of Arkansas as well as other states.

While taxpayers at the national level were forced to pick up the tab for the mistakes of politicians in whose elections they could not vote, citizens in states like Arkansas were doubly shortchanged. Not only did they have to pay a share of federal bailout costs, but when their home state financial institutions frittered away the hard earned savings of small depositors on unrepaid insider loans, there were fewer resources left for potential home owners and minority entrepreneurs.

What is remarkable is the hypocrisy of the circumstance. Time after time in the 1980s, politicians posturing in public as defenders of the little guy found themselves in private advancing the interests of a small number of owners who ran their financial institutions, as one Madison employee told regulators, like a "candy store" for insiders. The interplay of greed and ambition turned democratic values upside down.

Why does all this matter?

It matters because hypocrisy gnaws at the American soul; it robs leadership of moral stature. It is fatal to democracy because it destroys the foundation of trust between the electorate and their leaders upon which representative government depends for its legitimacy.

Cont'd

What is so dispiriting about the disjunction of public policy and private ethics reflected in Whitewater is the continued refusal of the White House to face up to the facts at hand. This Committee has now conducted extensive interviews and reviewed over 300,000 pages of documents. The evidence is in.

The White House has contended that no money went from the failed S&L, Madison, to Whitewater. The

facts are otherwise. Documents the Committee is releasing this week demonstrate that at least \$88,000 was siphoned out of Madison to Whitewater.

The White House has contended that the Clintons did not benefit from Whitewater and in fact lost \$68,900, a figure later revised to \$46,655. The facts are otherwise. Documents the Committee is releasing this week indicate that the Clintons put essentially no resources of their own into Whitewater except for loans paid back largely by the company or others. Out-of-pocket costs of their investment in Whitewater were minimal while direct benefits were substantial.

The White House has contended that the Clintons were passive investors in Whitewater. The facts are otherwise. Documents the Committee is releasing this week demonstrate that the only passive investor in Whitewater was the taxpaying public.

The White House has contended that no favors were granted Madison Guaranty or its controlling owner Jim McDougal. The facts are otherwise. Documents the Committee is releasing this week demonstrate that under the governorship of Bill Clinton, the First Lady of Arkansas represented Madison Guaranty in state regulatory matters involving the Arkansas Securities Department, the state Alcohol Beverage Control Board, and the state Public Services Commission. Governor Clinton intervened on McDougal's behalf with State Health Department officials who had protested sewage treatment deficiencies at one of McDougal's real estate developments and ensured favorable state treatment for a brewery project at another McDougal-controlled real estate development. Governor Clinton directed major state agencies to lease substantial office space from Madison Guaranty when less costly and more desirable space was available elsewhere. In addition, the president of Madison Guaranty was

placed on the state S&L commission; an attorney who represented the S&L was named the state S&L regulator; and the S&L was allowed to operate, without management change, for an extended period despite being known to be insolvent and laden with conflicts of interest.

The White House has contended that it stands for affirmative action, yet in the case of Capital-Management, documents the Committee is releasing this week demonstrate that a program designed to assist underprivileged minorities was subverted to aid Arkansas's business and political elite.

The White House has contended that it supports a progressive environmental policy, yet documents the Committee is releasing this week demonstrate that in two instances the Clinton Administration in Little Rock opted to assist Madison-connected developers at the expense of concern for clean water and proper sewage disposal.

The White House has contended that the 1980s were hallmarked by a breakdown in business and social values symbolized by the greed of the investment banker Michael Milken. The irony is that the picture this Committee will be presented this week is of a state political elite steeped in a Milken-like deal-making ethos. Arkansas in the 1980s appears to have been enveloped in the shadow of Huey Long's Louisiana and LBJ's Texas. . . .

Some have asked if we aren't making too much of this scandal. Compared with the corruption of potentates around the world, who routinely walk off with millions and in some cases billions, conflicts of interest in American politics are of a petty variety. This is because as a people we care about issues of honesty and because as a society we established a system of checks and balances uniquely designed to hold government and its leaders accountable to the will and values of the public.

The way we in America keep our scandals from becoming too big is by holding people accountable when the amounts of money at issue are relatively small. It is the principles at issue, not the dollar amounts, that matter. Big corruption is impossible when little corruption is not tolerated.

It is simply not appropriate to shrug off the conflicts implicit in Whitewater and say that this is the way things are done in small states. They aren't in Nebraska, Delaware, or Iowa. It is simply not appropriate to say it isn't a federal issue. It is. The U.S. taxpayer has lost millions; home owners in Arkansas have lost institutions that were established to serve their needs; minorities have found yet another instance in which a program designed to give them a crack at the American dream was redirected to serve the vested interests of a political elite.

Fairness Is Missing, Says Gonzalez

Excerpts from the prepared text of the opening statement of Rep. Henry B. Gonzalez (Tex.), ranking Democrat, House Banking and Financial Services Committee.

I think my colleagues know that if there has been a wrong done, I will seek the truth, wherever the trail may lead and whatever the consequence may be. My oath requires that and my conscience allows nothing less. I know I can speak for everyone on my side of the aisle, that we are interested in the facts and the evidence, and we want justice to be done.

If there is evidence of a real offense by the President or anyone else in a position of power, no party in the world should defend it. If there is evidence of wrongdoing, I want to expose it and correct it. But I think there must be a standard of fairness. It saddens me to say that this proceeding fails to meet any test of fairness. For that reason alone these hearings are not likely to satisfy anyone. We are not likely to learn much, if anything, that has not been explored before. We are certainly not going to find anything that would show the need for some legislative change—which after all, is the sole legitimate reason for an inquiry by this Committee.

We should bear these facts in mind:

First, Madison Guaranty Savings had a short, troubled life, which became much worse after James McDougal acquired it. Madison was badly abused, in ways that are very familiar to all of us who studied the collapse of the industry, a collapse that was hastened and made worse by the abuses of the eighties.

Second, the Whitewater venture lost about \$194,493. But there is no conclusive evidence that any of this loss was absorbed by Madison Guaranty. At most, \$58,000 can be traced to Madison.

Third, there is no question that

James McDougal manipulated his various enterprises, using Madison as his piggy bank. But there is no evidence that either Bill or Hillary Clinton knew anything about those manipulations, much less participated in them.

Fourth, Capital Management Enterprises, which was run by Mr. [David] Hale, was a terrible operation and Mr. Hale is rightfully being prosecuted. But again, there is no evidence other than the claim of Mr. Hale, that Bill Clinton ever knew anything about Hale's schemes, much less participated in them.

Fifth, Webster Hubbell is a thief and a crook. He stole from his law firm and abused his position in the firm, and he has been convicted for that. But Hillary Clinton, as a partner in the firm, was a victim of his scheme, and not the beneficiary of it.

Sixth, the savings and loan industry in Arkansas was bad—but it was no worse than the other four states in its region. Brain dead Federally chartered institutions in Arkansas stayed open longer than Madison did, lost more against assets and died in equal or greater number. Indeed, the Arkansas regulator wanted Madison closed in 1987, but the bankruptcy of the Federal savings and loan fund made it impossible.

Seventh, there is no evidence that anyone ever obstructed any regulation of Madison, or obstructed any investigation (and there have been investigations going on for a decade), or obstructed any criminal process. . . .

But we are living in a time when accusers need only to make denunciations, and the accused must absolutely prove their innocence, which even then may not be enough. The phenomenon seems much like the infamous Terror of the French revolution, when an accusation was enough to produce ruin, or even death. Little wonder that on being thrust into this vicious climate, Vince Foster despaired about how ". . . here, ruining people is considered sport."

I have to wonder, what is enough? This is the fourth round of Congressional hearings to explore Whitewater and whether it cost Madison Guaranty Savings \$58,000. The investigations so far have cost more than \$20 million.

And I wonder, why is it necessary to stack the deck, allowing reputations to be questioned and stained, without

giving the accused an opportunity to be heard at all? Is the political need so great or the case so weak that elemental standards of fairness must be abandoned?

What is enough? Partisanship, carried to the extreme, can only produce cynical distrust, and there is ample evidence that the public at large is heart-sick of elaborate hearings that seem staged for no reason other than to make partisan accusations, however vague and however weakly supported, of corruption.

Frank: 'These Are the Bait-and-Switch Hearings'

Reuter

Excerpts from the opening statement delivered by Rep. Barney Frank (D-Mass.)

We have had a series of Republicans ask to look into the Whitewater matter. What we have here are—started out as six, now 60—accusations in search of proof. None can be found. Listening to the description of the member from Wisconsin of this terrible scandal, one would have thought, a reasonably good investigator, could easily have come up with hard facts.

Three Republicans of significant level have been asked to investigate this:

Robert Fiske, who George Bush tried to appoint deputy attorney general, but the right-wingers vetoed him; Kenneth Starr, who Ronald Reagan made solicitor general

and a circuit judge; Jay Stephens, who was a U.S. attorney. Among them, they have investigated all of this and have come up with no misdeeds against the Clintons, but the [creature] keeps bouncing back up. These are the "bait and switch" hearings.

We had, last year, a set of accusations. They couldn't prove them. So we get new ones. The problem is that even the new ones seem to be inaccurate.

For example, the chairman said that the Clintons didn't lose anything . . . in Whitewater. Jay Stephens said they lost \$42,000. That's in his report. There was reference to the \$88,000 that was taken from Whitewater to go to the cronies. Somebody forgot to mention that \$30,000 of the \$88,000 went to that notorious crony J. William Fulbright.

Senator Fulbright was the recipient of

\$30,000. Now, it appears that McDougal, who owed Fulbright \$30,000, inappropriately took it from Madison. Did Fulbright know that? There's no evidence of that. So, let's not mention the respected Senator Fulbright, let's lump in his \$30,000 so we get to \$88,000.

The single, largest recipient of that money from Whitewater, according to Jay Stephens report, was Senator Fulbright. But, let's not mention that. Let's talk about a lump sum of \$88,000. Let's talk about the mafia of Arkansas, the cronies of Arkansas. And let's not mention that part of it was a debt that this very distinguished, elder statesman, was legitimately owed and received.

We have gotten accusation, after accusation, after accusation that have not been proven, have been disproven, and they have been ignored.

Coverup

From the opening remarks of Resolution Trust Corp. investigator Jean Lewis, scheduled to testify today before the House Banking Committee's investigation into the failure of Madison Guaranty Savings & Loan Association:

I believe there was a concerted effort to obstruct, hamper and manipulate the results of our investigation of Madison—and the subsequent independent counsel investigation—by individuals at the RTC, the Treasury Department, the Justice Department and U.S. Attorney Paula Casey's office in Little Rock, Ark. . . .

The first Madison criminal referral, which was assigned the number C0004, was supported by substantial detail and extensive exhibits. It was completed on Aug. 31, 1992, and submitted to the FBI and U.S. attorney by Kansas City RTC senior management in the investigation unit on Sept. 2, 1992, in full compliance with RTC procedures and guidelines.

Among other things, the referral provided specific check numbers, dates, account names, account balances, particular uses of funds, and the names of individuals and entities involved in various check kiting schemes. The referral also stated that among those who stood to benefit from this activity were Stephen Smith, Jim Guy Tucker, then-Gov. Bill Clinton and Mrs. Clinton. . . .

A Long Delay

Previously submitted referrals involving Arkansas institutions had consistently resulted in letters of acknowledgement from the FBI. By late December 1992, the investigation unit had not received an acknowledgement on the Madison referral. In order to follow up, I contacted the Little Rock FBI. Shortly thereafter, the investigation unit received a brief letter from the FBI acknowledging receipt of the referral and directing further inquiries to the U.S. attorney's office in Little Rock. . . .

The referral was finally located in the Fraud Section of the Justice Department's Criminal Division in late June 1993, and was returned to the Executive Office for U.S. Attorneys for review.

On June 23, 1993, I learned the referral would be returned to the U.S. attorney in Little Rock. This was based on an internal Justice Department memorandum stating

that there was no basis for recusal of the U.S. attorney and no apparent conflict of interest. Nine days later I learned the referral had arrived back in Little Rock, but that the acting U.S. attorney intended to "let it sit" until the new U.S. attorney-designee, Paula Casey, took office. . . . On Oct. 27, 1993, more than a year after its submission, Ms. Casey declined RTC Criminal Referral No. C0004. In other words, Ms. Casey refused to further investigate the matters raised in the referral.

In rejecting the referral, Ms. Casey stated there was "insufficient information to sustain many of the allegations." Ms. Casey stated she was concurring with the opinion of Justice Department attorneys in

ing criminal violations of several sections of the United State code. . . . These nine referrals identified multiple suspects, including the Bill Clinton Political Committee Fund, James and Susan McDougal, Jim Guy Tucker, Chris Wade, and several former Madison officers and borrowers. Suspects on some of the referrals overlapped as witnesses on others, reflecting the elaborate nature of Madison's relationships with some of its borrowers. . . . The referrals also identified additional witnesses with potential knowledge of the alleged criminal violations. Those witnesses included Mr. and Mrs. Clinton. . . .

The Kansas City RTC's criminal investigation unit had planned to submit the

I believe there was a concerted effort to obstruct, hamper and manipulate the results of our investigation of Madison Guaranty Savings & Loan.

Washington who had concluded this matter prior to her coming to the U.S. attorney's office in Little Rock.

However, Ms. Casey's rejection was in direct conflict with information I had received from the Justice Department in Washington, and the U.S. attorney's office, when the referral was returned to Little Rock four months earlier. Furthermore, the committee should be aware of press reports regarding a series of telephone calls from former Associate Attorney General Webster Hubbell to Paula Casey, which overlapped with the latter part of this same time period.

Between May 1993 and August 1993, the Madison criminal investigative team reviewed and researched several transactions involving insider abuse, self-dealing, money laundering, embezzlement, diversion of loan proceeds, payments of excessive commissions, misappropriation of funds, land flips, inflated appraisals, falsification of loan records and board minutes, chronic overdraft status of various subsidiaries, joint ventures and real estate investments, regulatory violations of investments in subsidiaries, wire fraud, and illegal campaign contributions.

As a result of this investigation, nine additional referrals were prepared alleg-

nine additional criminal referrals on Oct. 1, 1993. However, RTC Professional Liability Section Chief Julie Yanda obstructed that effort with her unprecedented demand that her staff first conduct a "legal review" of the referrals. Going back to July 1993, shortly after Ms. Yanda was briefed on the criminal referrals, the criminal investigation unit observed the beginning of a concerted effort by the Professional Liability Section (PLS) to monitor the Madison investigation and exert control over certain aspects of it. . . .

On Sept. 30, 1993, the day before the planned submission of the additional criminal referrals, Ms. Yanda imposed her demand for an unprecedented legal review. Four days earlier she had received copies of the referrals, as did a limited number of senior management staff in Washington and Kansas City. Also on Sept. 30, 1993, Ms. Yanda assured Acting RTC General Counsel Glion Curtis that the "proposed referrals" would not be submitted to the U.S. attorney's office and the FBI until her staff in PLS reviewed them.

At the time, Mr. Curtis had an open line of communication to former Treasury Department General Counsel Jean Hanson, who in turn reported to Deputy Treasury Secretary Roger Altman. We now know

Cont

that Ms. Hanson provided the White House with a "heads up" on the RTC's criminal referrals the day before, on Sept. 29, 1993. . . . The request for a legal review of the criminal referrals manipulated standard procedures and provided the Treasury Department the opportunity to review and selectively disseminate sensitive criminal referral information. Such sensitive information was in fact disclosed by Ms. Hanson in her Sept. 29, 1993 visit to the White House. . . .

On October 8, 1993, the completed legal review appeared by means of the RTC e-mail. The e-mail recipient list is noteworthy as it included additional people to whom the Kansas City RTC criminal investigation unit had not provided copies of the referrals. . . . The inclusion of these senior Washington and Kansas City managers raises the question: Why, and at precisely what point, did the legal review of the Madison criminal referrals become an issue of such far-reaching concern in the RTC legal division? Subsequent testimony revealed the legal review reached as far as the office of Treasury General Counsel Hanson.

Without Prior Notice

The Madison investigation team immediately examined the legal review and found that it consistently focused on civil issues rather than the criminal allegations raised in the referrals. And even the criminal issues raised by PLS were precisely the kind of issues that the U.S. Attorney's Office and the FBI have subpoena power to investigate, and should investigate, in pursuing a criminal referral. . . .

The following week, the week of Oct. 11, 1993, PLS further interposed itself into the criminal investigation process by assuming control of all Madison subpoena compliance matters, which, until that time, was the primary responsibility of the Kansas City RTC criminal investigation unit. This was done without any prior notice. . . .

On Nov. 9, 1993, I was removed from the Madison investigation without warning or explanation at the direction of PLS Section Chief Julie Yanda. Ironically, two weeks later I received a Special Achievement Award for my role in the Madison investigation.

/ Whitewater Week in Washington

REPUBLICAN-LED committees on both sides of the Capitol are consumed with Whitewater this week. This intense show of congressional interest stands in sharp contrast to the public's take on Whitewater. Most people probably wouldn't rank this issue in their top 10 list of concerns. Polls show a large majority see Whitewater as pure political theater, staged by partisans out to get the president. The public's also divided between those who believe President Clinton did something wrong and those who don't. Hearings aren't likely to alter the public's view about the purpose of the hearings. But a serious bipartisan congressional effort might help shed light on exactly what the president's involvement was.

A Senate select committee, led by New York Republican Alfonse D'Amato, is in its third week of trying to find out whether the White House was trying to hide some Whitewater-related secret following the tragic death of deputy counsel Vincent Foster. Two weeks of testimony have raised major contradictions and minor mysteries, but no definitive answers to that central question.

The failure of the White House to fully cooperate with Justice Department attorneys and law enforcement investigators looking into Mr. Foster's death has fueled suspicions that presidential aides were trying to cover up something. But former deputy attorney general Philip Heymann, who at first thought so too, ended up stating, "It seems to me entirely conceivable that they managed to throw substantial suspicion over

no wrongdoing." Perhaps so. But Mr. Heymann was so upset that he ordered the FBI to investigate whether there was a deliberate White House attempt to obstruct the inquiry. None was found.

Republicans contend that former White House counsel Bernard Nussbaum, who testifies this week, impeded the Foster investigation. If so, was it done out of clumsiness and paranoia—as implied by Mr. Heymann—or something else? Mr. Nussbaum should have much to say.

House Banking Committee Republicans are pursuing a broader and more ambitious agenda. They are concentrating on the heart of the matter: the relationship of then-governor and Mrs. Clinton with the failed Madison Savings and Loan and its former owner James B. McDougal, and the Clintons' partnership in the Whitewater real estate venture with Mr. McDougal and his then-wife Susan. Committee chairman Jim Leach aims to show that the Clintons were substantial beneficiaries of those ventures rather than the passive, losing investors they claim to have been. Yesterday, House Republicans laid out their case that the Clintons have consistently misled the public about their involvement and improperly claimed thousands of dollars in tax deductions on the investment, a charge disputed by Democrats and the Clintons' lawyer. "It's a story of political ambition and the exercise of political power," Mr. Leach said. We'll see.

Whitewater: What we've learned so far

After two weeks of Senate Whitewater hearings about the actions of the Clinton administration after Vincent Foster's death two years ago, here are some of the things we know about access to Mr. Foster's office and papers:

- Park Police officers recall asking David Watkins to have Mr. Foster's office sealed as they were on their way to notify Mrs. Foster the evening his body was found on July 20, 1993. Mr. Watkins has testified that he has no recollection of the request. The office was locked the next morning, but not properly sealed — anyone could enter as long as they signed in.

- Mr. Watkins didn't consider it worth mentioning to those officers that he had already dispatched Patsy Thomasson to that very office, purportedly to search for a suicide note.

- Ms. Thomasson was joined in the office the night of the death by White House Counsel Bernard Nussbaum and chief of staff to Hillary Clinton Margaret A. Williams. Ms. Thomasson, who had no national security clearance, sat at Mr. Foster's desk looking through his papers.

- The Secret Service officer accompanying cleaning crews on their White House rounds that evening recalls seeing Ms. Williams leaving the counsel's suite carrying folders in her arms. Ms. Williams denies carrying anything from the office that night.

- After lengthy discussions the following day (July 21), Deputy Attorney General Philip Heymann believed he and Mr. Nussbaum had come to an arrangement that would allow a proper investigation of the death to go forward, while at the same time protecting executive as well as attorney-client privilege: Mr. Nussbaum and career Justice Department officials would look at the documents in Mr. Foster's office together, deciding which were privileged, which personal, which — if any — had bearing on Mr. Foster's death. Mr. Nussbaum has said through his attorney (he is due to testify later this week) that he recalls no such arrangement.

- Bernard Nussbaum told Associate Counsel Stephen Neuwirth (according to Mr. Neuwirth's testimony before the committee) that the first lady was concerned about allowing "unfettered access" to Mr. Foster's papers.

- When it came time to do the document review on the afternoon of July 22, Mr. Nussbaum had changed the rules: He, and his assistant counsels, Clifford Sloan and Stephen Neuwirth, would be the only ones permitted to see the papers. The FBI, the Park Police and the Justice officials would have to sit off to the side until Mr. Nussbaum had decided what was appropriate for their eyes.

- When an irate Mr. Heymann protested the last-minute revision, Mr. Nussbaum said he'd have to talk to "some people" (unidentified) and get back to him. When he did, he announced, "We'll do it my way."

- During the course of Mr. Nussbaum's "review" an FBI agent made the mistake of getting up out of his chair. Clifford Sloan was on the case immediately, brusquely inquiring if the agent had stood in order to try to get a look at the documents.

- One of the career prosecutors from Justice, remarking that this was an ongoing investigation of a suspicious death, threatened to get subpoenas for withheld documents.

- Immediately after the review, both Mr. Sloan and Mr. Neuwirth made several calls trying to summon Maggie Williams to Mr. Foster's office. As Mr. Sloan put it in a memo to himself, "Get Maggie. Go through office. Get HRC-WJC stuff."

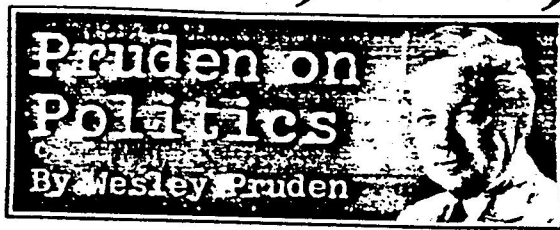
- That very afternoon, according to Thomas E. Castleton, former special assistant to Mr. Nussbaum, he was instructed by Maggie Williams to carry a box of papers (maybe it was two) from an area near Mrs. Clinton's and Ms. Williams' West Wing office to a locked closet in the White House residence. "I was told that the contents of the box needed to be reviewed... [by] the first lady," Mr. Castleton testified. The documents, slated to be turned over to the Clintons' private attorney, remained in the White House for six days.

- And that same afternoon, when she was called in by Ms. Williams and Mr. Nussbaum to go over financial papers in the office after the "review," Deborah L. Gorham, Mr. Foster's executive assistant, discovered that an index of his files she had maintained was missing. Mrs. Gorham testified that she couldn't identify another index produced by the White House, purporting to be a computer copy of the original index and dated July 22.

To sum it all up, we know that documents possibly related to the Clintons' involvement in shady Whitewater dealings, and/or to Vincent Foster's suicide, disappeared, reappeared or magically materialized around the White House. Papers were removed from offices, kept in closets, hidden in briefcases. We know that Mr. Nussbaum and virtually the entire White House staff considered it their chief duty to keep officers of the law at bay. We know that they have given incomplete, possibly misleading testimony to the FBI, as well as to the Senate committee. We know that when confronted by conflicting testimony by witnesses whose motive to lie is mysterious, they suffer a failure of memory. In short, we know that the Clinton White House is coming out of these hearings smelling less and less like a rose.

Amnesia may serve as a perfectly workable defense against perjury. And the White House staff making use of that defense probably isn't going to end up behind bars. But no amount of amnesia will excuse the ethical sleaziness and arrogant obstructionism that the Senate hearings are exposing.

Tomorrow: What we've learned about the Foster note.



Voyage of discovery on rough white water

Simple arithmetic gives most people headaches and heartburn. When they see a lot of numbers on a page, they turn at once to the funnies.

Bill and Hillary do not flinch at numbers, and Miss Hillary is one of the most imaginative tax preparers of all time, taking deductions even on Bill's secondhand underwear. If she argued that he never kept a pair of briefs on long enough to put any wear and tear on them, not even the IRS could challenge that.

Nevertheless, they have exploited the terror-of-arithmetic phenomenon, shamelessly trying to suppress serious public scrutiny of greed and avarice in the pursuit of a few thousand dollars here, a few nickels and dimes there. She understands that in the end it all adds up.

In the scenario unfolding this week before the House Banking Committee, Madison Guaranty Savings and Loan, which kept Whitewater afloat, was their own little piggy bank. It was a bank to be looted shamelessly and without remorse. The taxpayers, after all, would pick up the tab. Bonnie and Clyde used guns to rob banks. Bonnie and Clod did it with fountain pens.

Whatever they've done, they've done it at the expense of Clod's native state, subtly portraying themselves as helpless Gothic originals whose first store-bought shoes pinch, innocents in the long outdated stereotype of Arkansas as the land of hicks and hayseeds, dumber than cypress stumps on Bayou Bartholomew in matters of bank statements, tax returns and remembering where the bodies, so to speak, are buried.

This is Bill Clinton's final use for Arkansas, which is why he never goes there except to raise money from everyone who has ever done business with him. He's the only president in memory, for example, who vacations everywhere but back home, the native son with no fixed address. (John F. Kennedy flew back to Hyannis Port, Lyndon Johnson to Johnson City, Ronald Reagan to Santa Barbara, nearly every month.)

The hearings unfolding this week before the House committee, unlike Al D'Amato's disorganized days of haze, seem likely to lay out Whitewater in a way that will be understandable even to the Washington journalists who have been saying, ad nauseum, that everything is too complicated for them and everyone else to understand.



Not terrified of math

Jim Leach and his key witnesses promise that the hearings will demonstrate conclusively what

insiders in Little Rock have been saying for months, that through "rampant bank fraud" and "elaborate check-kiting schemes" Jim McDougal and officers of his Madison Guaranty Savings and Loan Association saved Bill and Hillary's investment in Whitewater, and a lot else besides, with the money of taxpayers who didn't know anything jail-y was going on.

"Some question whether Whitewater is a story that needs to be told," Mr. Leach told the panel yesterday as the hearings began to unfold. "The larger question would be how, in a democracy committed to the rule of law, it could be ignored."

"The White House has contended that no favors were granted to the savings and loan or its controlling owner, Jim McDougal, but the facts are otherwise."

Bill and Hillary insist they were only "passive investors" in Whitewater, but the facts, says Mr. Leach, show that "the only passive investor in Whitewater was the tax-paying public."

A lot of this stuff will be old news to the relatively few people who have been tracking this sordid story since March 1992, when it was first reported in the New York Times and then stuffed down the memory hole by nearly every other reporter except Jerry Seper of this newspaper.

The Democrats in Congress, through no love of their incumbent but in dread of what may happen to them if the public starts paying attention, are so terrified already that nobody dares get downwind from Henry Gonzalez and Barney Frank and their party colleagues. All they could think to do yesterday was stall for time, in anticipation of a miracle, or harangue the Republicans with accusations of dishonesty, chicanery, duplicity, mendacity and maybe even moperly. Mr. Gonzalez, who presided over the Democratic hearings last year, tried then to turn Whitewater to whitewash and was restrained only by wiser

cont.

heads from awarding Bill and Hillary matching Medals of Honor for bravery under flattery. Yesterday he actually accused the Republicans of "partisanship."

These hearings may be educational even for Mr. Gonzalez. Mr. Leach and the witnesses, some of whom are getting their first chance to tell what they know, should lay it out plain and simple.

Nobody believes that Bill and Hillary are the innocent hayseeds they want the curious to take them for, and this week they might for the first time in their lives get to see what life is like under responsible adult supervision.

Inside Politics



Compiled by Greg Pierce

A suggestion

New York Post columnist John Crudele says, "I don't want to join the screwball fringe on the Vince Foster matter," but he urges the Senate Whitewater committee to call Chelsea Clinton's nanny, as well as an Arkansas state trooper and the wife of Gov. Jim Guy Tucker.

Trooper Roger Perry claims that White House nanny Helen Dickey phoned Mr. Tucker's wife, Betty, on the day of Mr. Foster's death and revealed that the administration official had killed himself "in the parking lot of the White House." The trooper says he was on duty at the governor's mansion that day, transferred the call and even discussed Mr. Foster's death with her.

"I've had dinner with Perry a couple of times and he stands firmly by the story, although he says he can't exactly pinpoint the time of the call," the Post columnist said. "But he is certain that it was prior to 6 p.m. (5 p.m. Arkansas time), the time Foster's body was officially found," and about four hours before the White House was said to be notified.

Mr. Crudele suggests the committee check the White House phone logs.

Former Official Now an Inmate

CUMBERLAND, Md., Aug. 7 (AP) — Webster L. Hubbell, the former No. 3 official at the Justice Department, checked into a Federal prison today to begin his 21-month sentence for mail fraud and tax evasion.

Mr. Hubbell was sentenced in June for stealing \$482,410 from his private clients at the Rose Law Firm in Little Rock, Ark., where Hillary Rodham Clinton was a partner. Mr. Hubbell left the firm when President Clinton, a longtime friend, appointed him Associate Attorney General.

One client he bilked was the Resolution Trust Corporation, which at the time was investigating the failed Madison Guarantee Savings and Loan. Madison is at the heart of the Whitewater investigation.

Mr. Hubbell arrived six minutes before his noon deadline for appearing at the Federal Correctional Institution in western Maryland.

What I Did and Why I Did It

By Bernard W. Nussbaum

On July 21, 1993, I was faced with a personal tragedy and a professional dilemma. My deputy, Vincent W. Foster Jr., had killed himself, and officers of the Park Police wanted to search his office for a suicide note or a similar document. The officers had no warrant and no basis for obtaining one.

Nonetheless, I wanted to allow them access to the office to see if there was a note. This was important because the White House should cooperate — and be perceived as willing to cooperate — with law enforcement.

As White House counsel, however, I was ethically and legally obliged to protect the confidentiality of all the files in Mr. Foster's office. While I had an idea of the matters that he had been working on, I did not know exactly what sensitive Government documents he might have had. The solution I arrived at was to allow the park officers to watch me as I reviewed the files and described their contents, leaving them free to ask for additional information and documents. My office later provided them with everything they requested.

In this summer's Senate hearings on the Whitewater affair, at which I will testify this week, questions have been raised about the way that office review was conducted. Philip B. Heymann, who was Deputy Attorney General at the time of Mr. Foster's suicide, suggested that the process would have been more "fair and credible" if the White House had let Justice Department lawyers act as intermediaries, looking at the first page of each of the files to determine which documents, if any, should be shared with the police.

The Justice Department proposed this the day after Mr. Foster's death. I gave serious thought to the plan and concluded that it was ill-conceived.

It reflected an inappropriately cynical view of the White House. Every day, across the country government and private lawyers involved in legal disputes respond to requests for documents without the presence of a monitor. We lawyers are trusted to respond properly to the requests of opposing parties. I found it unacceptable that the White House —

which was not even involved in any dispute — should acquiesce in the suggestion that its lawyers needed a watchdog.

Going ahead with Mr. Heymann's proposal would also have created an unfortunate precedent. Future White House counsels would have been ill-equipped to resist similar requests from others — perhaps even Congressional committees.

The Justice Department's plan would also have forced me to violate my ethical duties. A fundamental tenet of my profession holds that lawyers may not disclose information that they come to possess as a result of representing clients. This duty of confidentiality applied no less to me when the client was the President of the United States and the

The Justice Department had no need to see Foster's files.

papers included legal analyses on issues of national significance and very sensitive documents such as briefing books on potential Supreme Court nominees and background checks on high-ranking executive branch officials.

Lawyers take confidentiality seriously because the guarantee of privacy encourages people, including Government officials, to be open with their advisers. Full communication insures that clients get the legal counsel they need to solve their problems and to obey the law.

In recognition of this, the American Bar Association's rules command lawyers "to hold inviolate" client information. This stricture applies not only to material that is protected by lawyer-client privilege but also to all information related to representing a client "whatever its source."

In addition to the general rule of confidentiality and lawyer-client privilege, there were other reasons that it would have been ethically negligent for me to have accepted Mr. Heymann's proposal. These include losing the safeguards of the work-product doctrine, which shields materials prepared by a lawyer in anticipation of litigation and in ex-

utive privilege, which protects communications among the President and his high-level advisers.

Privileges can be lost — waived — if a lawyer discloses information in document to a third party. I had to be certain that none of my actions would unnecessarily destroy the White House's ability to protect its confidentiality. Even allowing Justice Department officials to briefly study the documents could later have been construed as a waiver.

In his testimony, Mr. Heyman said that I could have solved my waiver worries by having the Justice Department sign an agreement that promised that it would never contend that by allowing it to review the file I was waiving privilege. Aside from the fact that such an arrangement would have compromised my ethical duty, it would not have been effective.

Courts faced with similar agreements have found that they do not bind any parties other than the signatories. Therefore, while the Justice Department might have been prevented from obtaining these documents in a later proceeding anyone else — including the President's political opponents — would have been free to assert that privilege had been waived.

Some have suggested that executive privilege is not relevant in this case because the Justice Department is part of the executive branch. While it is technically true that Justice Department review may not have caused a waiver, department officials have no right to view materials protected by executive privilege when they are not relevant to a law-enforcement investigation.

These were my concerns after Vincent Foster's suicide. With the benefit of two years' hindsight, I am still comfortable with the ethical and legal judgments I made. I fulfilled my duties and obligations as a lawyer and public servant. □

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SECTION: Domestic, non-Washington, general news item

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HEADLINE: Foster's Suicide In Doubt AP-Time-CNN-Poll

DATELINE: NEW YORK

BODY:

Nearly half of Americans believe the Clinton administration is covering up something in the death of White House counsel Vincent Foster, according to a Time-CNN poll.

The survey, released Tuesday, also indicates that 20 percent believe Foster was murdered. And 45 percent of those polled said they are "not sure" if the lawyer's death was a suicide or a homicide.

When asked whether they think the administration is covering up anything in the investigation of Foster's death, 45 percent said yes, according to the poll.

For the survey, 1,000 adults were contacted by telephone on July 19 and 20. The poll has a margin of error of plus or minus 3 percentage points.

Foster, a former Arkansas law partner of Hillary Rodham Clinton, died in July 1993. He was found with a bullet wound to the head in a Virginia park. Investigators concluded he died of a self-inflicted gunshot wound.

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MEMPHIS, WEDNESDAY, AUGUST 2, 1995

Secretary to Foster says index missing

The New York Times News Service

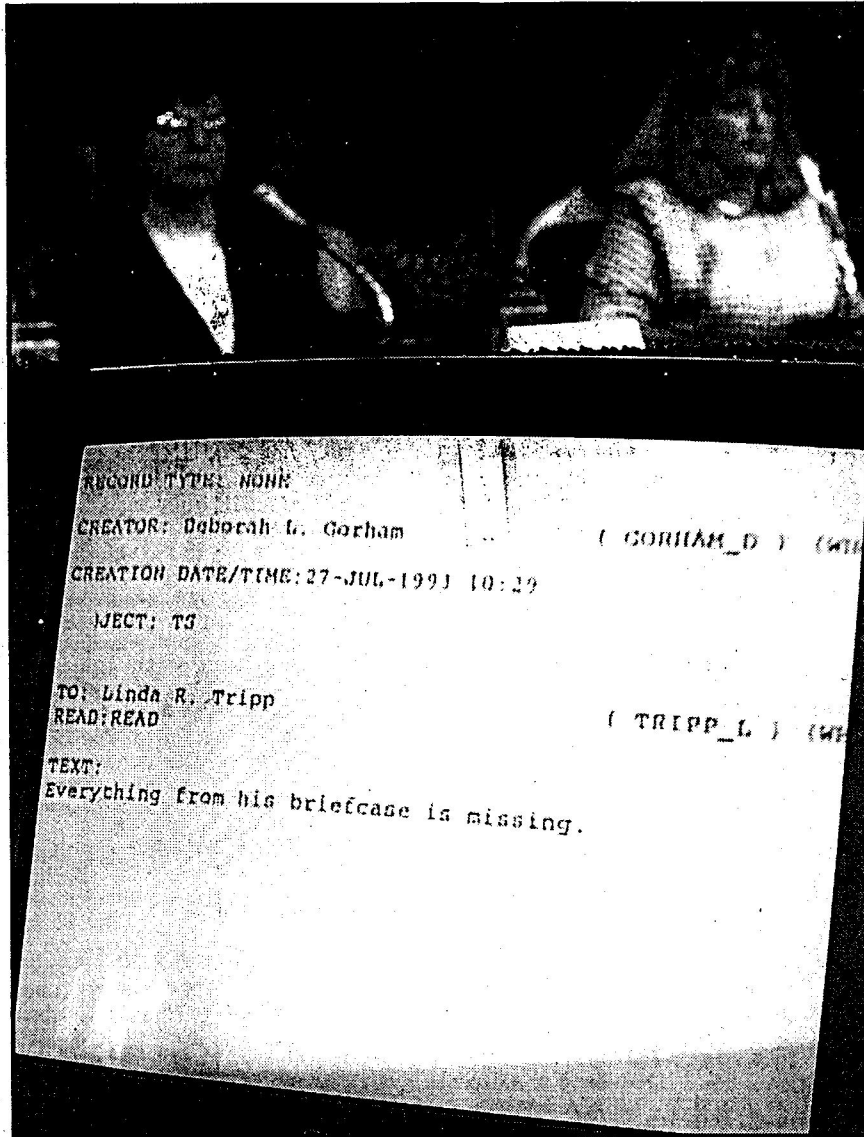
WASHINGTON — The secretary to Vincent Foster Jr. in the White House counsel's office told the Senate Whitewater panel Tuesday that an index to some of the papers of President and Mrs. Clinton was missing when the office was searched after Foster's suicide two years ago.

Deborah Gorham said she had prepared the index of the files and left it in a drawer in Foster's office. She said that when she was summoned into the office by White House counsel Bernard Nussbaum to go through the file drawers with two senior aides two days after Foster's death, the index had disappeared.

An electronic version of a Foster index was found on a computer in the counsel's office, but Gorham said she was unable to say with certainty whether it was the same one she had put in Foster's office.

The Senate committee on Whitewater has been trying to find if any papers were improperly removed from Foster's office by the staff or on instructions of Mrs. Clinton so that they would not be found by investigators. Tuesday's hearing bogged down over minute details about the recollections of Gorham and Linda Tripp, Nussbaum's secretary, as they described the days after Foster's suicide in the summer of 1993.

Gorham said that before she went to Foster's funeral in Arkansas on July 23, she noticed



A message from Deborah Gorham (left), former secretary for White House counsel Vincent Foster, to Linda Tripp (right), former secretary for White House counsel Bernard Nussbaum, regarding contents of Foster's briefcase after his death, is shown on a television during testimony Tuesday in Washington.

out of the corner of her eye that Foster's briefcase contained a gold folder and something that appeared to be yellow.

A review of Foster's office July 22 by Nussbaum overlooked the contents of the briefcase. Four days later another lawyer discovered that it

contained the shreds of a note by Foster that expressed disillusionment with Washington.

Gorham said that after that discovery, she was aggressively interrogated by Nussbaum, who pressed her repeatedly to describe what she had seen in the briefcase.

Asked by Sen. Bob Bennett (R-Utah) whether she believed that the behavior of lawyers in the counsel's office was "paranoid" in the aftermath of Foster's death, Gorham replied: "It would seem so by the amount of questioning Bernie did of me."

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Ex-Reno aide rebukes Nussbaum over Foster papers

BY TERRY LEMONS

Democrat-Gazette Washington Bureau

WASHINGTON — Former Deputy Attorney General Philip Heymann lashed out Wednesday at White House aides for making the “terrible mistake” of blocking federal investigators from reviewing Vincent Foster’s documents.

His testimony before the Senate Special Whitewater Committee amounted to a stinging rebuke of then-White House Counsel Bernard Nussbaum’s decision to bar Park Police and FBI agents from examining Foster’s records two days after his July 20, 1993, suicide.

“I don’t think that this was a trustworthy and credible way to handle documents,” Heymann said.

Heymann, appointed by President Clinton to the Justice Department’s second-highest post, said Nussbaum’s move delayed the discovery of a note written by a despondent Foster until six days after his death. And he said he was angry that presidential aides kept the note to themselves for 30 hours before notifying investigators.

“I told them they had a major disaster brewing,” Heymann said.

His four hours of testimony highlighted the eighth day of Senate Whitewater hearings, which are focusing on Foster’s documents. Foster, a Hope native, kept a number of files for the first family, including financial records involving the Whitewater Development Corp., a Marion County real estate development.

Heymann repeatedly expressed his unhappiness with Nussbaum’s



Associated Press

WHITEWATER ‘DISASTER’ — Former Deputy Attorney General Philip Heymann testifies Wednesday on Capitol Hill before the Senate Whitewater Committee. Heymann said, “I told them they had a major disaster brewing,” referring to White House aides’ handling of Vincent Foster’s documents.

decision to keep Park Police and FBI agents at arm’s length during a search of Foster’s office on July 22, 1993. Heymann believed it was inappropriate for Nussbaum and the White House to have complete control over the review.

“A player with significant stakes in the matter cannot also be the referee,” he said.

Initially, Heymann thought he had reached an agreement with Nussbaum to allow two career Justice Department lawyers, Roger Adams and David Margolis, to review the documents and pass along pertinent files to investigators.

But Nussbaum reversed course, choosing to run the review himself.

“I remember being very angry and very adamant and saying this is a bad mistake,” Heymann said. “This is not the way to do it.”

He also wondered why Nussbaum had changed his mind.

“I said, ‘Bernie are you hiding something?’ “ Heymann recalled. “He said very flatly, ‘Phil, I can promise you we’re not hiding anything.’ “

Republicans seemed amazed at Nussbaum’s decision. Sen. Orrin Hatch, R-Utah, said Heymann’s move to send over two nonpartisan lawyers would have protected the Clinton administration from charges of putting “undue political pressure” on the Foster case.

45% in poll suspect Foster cover-up

The Associated Press

NEW YORK — Nearly half of Americans believe the Clinton administration is covering up something in the death of White House counsel Vincent Foster, according to a *Time*-CNN poll.

The survey, released Tuesday, also indicates that 20 percent believe Foster was murdered. And 45 percent of those polled said they are "not sure" if the lawyer's death was a suicide or a homicide.

When asked whether they think the administration is covering up anything in the investigation of Foster's death, 45 percent said yes, according to the poll.

For the survey, 1,000 adults were contacted July 19 and 20.

Instead, the two Justice Department lawyers sat in Foster's office, unable to see the documents that Nussbaum flipped through, Heymann said. The lawyers were "misused" in a way that gave the White House review greater credibility, he said.

Republican Special Counsel Michael Chertoff put it more bluntly: "By bringing the Justice Department in as window dressing, the White House was able to have its cake and eat it."

During the review, Nussbaum looked into a briefcase belonging to Foster. Despite looking at the

satchel several times, Nussbaum did not notice 27 yellow scraps of paper in the bag.

Four days later, another White House aide discovered the pieces were actually a torn-up note written by an anguished Foster, who described his difficulties with life in Washington and the White House. If Nussbaum had not kept investigators from reviewing the office, Heymann felt confident that the note would have been discovered July 22.

Clinton aides also waited 30 hours before bringing Heymann and his boss, Attorney General Janet Reno, to the White House to reveal the note's existence. Reno said the note should be given to police "immediately," Heymann recalled.

White House aides said the delay occurred in order to notify Foster's widow, Lisa, and Clinton, who had to decide whether the note represented a protected presidential document.

But Heymann said it was "ridiculous" to think Foster's note was protected under executive privilege.

"We had a major question of credibility on our hands," Heymann said.

So he asked the FBI to become an "800-pound gorilla" and conduct an aggressive review into the White House's discovery of the note. He also called White House adviser David Gergen to relay his concern about the "terrible mistake" over the Foster case.

"I wasn't going to put up with it anymore," Heymann said.

He told Gergen and other senior

Clinton aides that the Park Police and the FBI must have free rein to interview White House officials without Nussbaum's interference. Such a move was necessary to avoid a "catastrophe," he said.

Heymann said he didn't view the problems with Foster's papers as a sign of a cover-up, but more likely a reflection of "clumsiness and paranoia" on the part of White House aides. Heymann, now a Harvard University professor, previously helped investigate Watergate and has handled criminal cases involving Carter administration officials.

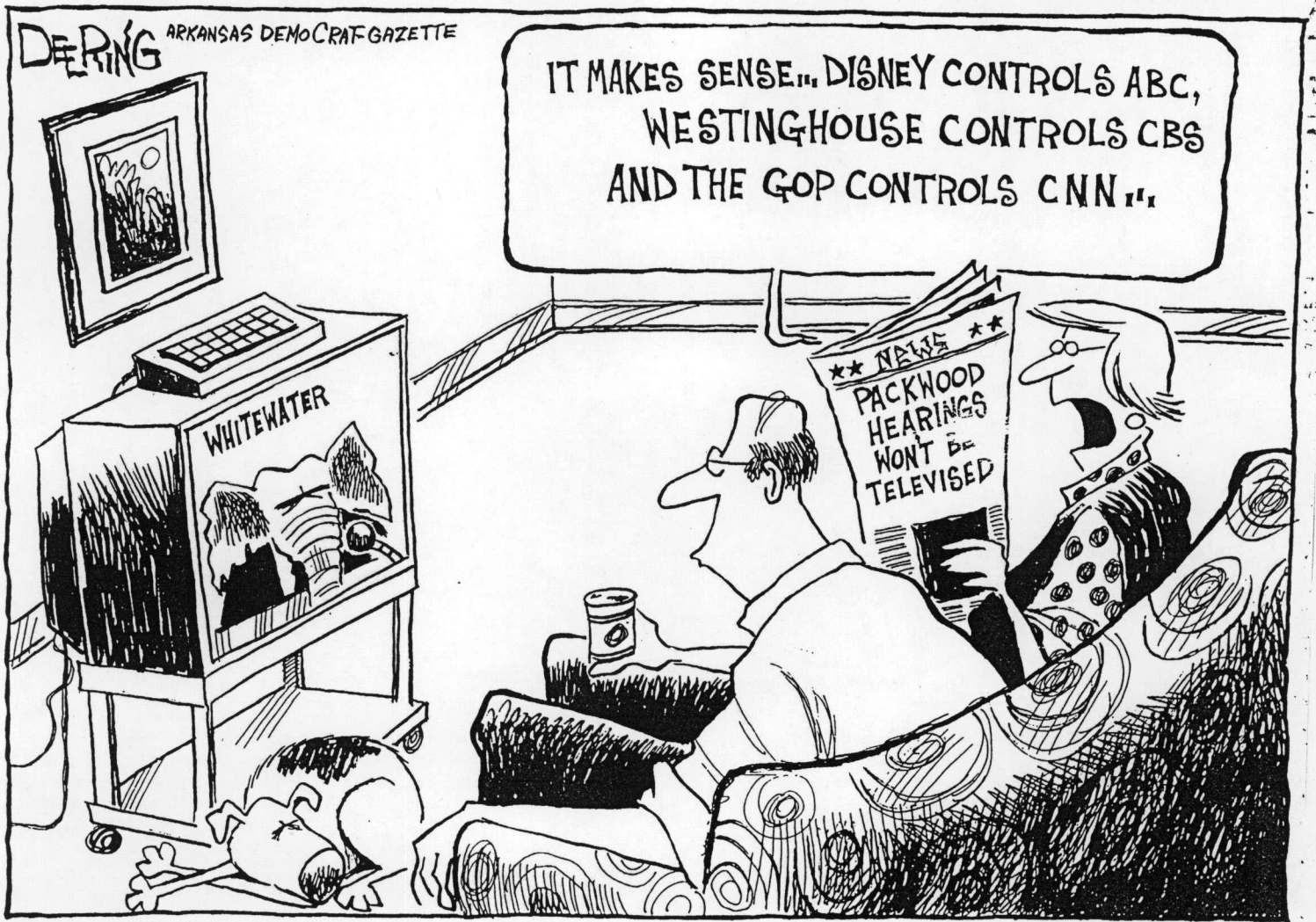
In other Whitewater testimony, FBI fingerprint specialist Louis Hupp discussed his work on Foster's torn-up note. Nussbaum's palm print was identified on one of the scraps of paper, the only identification made on Foster's note.

Hupp said it could not be determined whether Nussbaum made the mark before or after Foster tore the note. Evidence of Foster touching the paper could not be found, although Hupp said that did not mean anything given the vagaries of fingerprint identification.

Sen. Christopher Bond, R-Mo., also called on the White House to release computer records of an index listing Foster's files. Bond said the records would be "vitally important" in determining whether anyone tampered with the index.

The committee heard testimony Tuesday from Deborah Gorham, Foster's secretary, who indicated the computer records of the index may have been changed on July 22, 1993.

Editorial Page



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Ex-official says White House hindered probe

By Sara Fritz
Los Angeles Times

WASHINGTON — Former deputy attorney general Philip Heymann testified at the Senate Whitewater hearing Wednesday that poor judgment by President Clinton's top aides undermined the integrity of an inquiry into the suicide of White House attorney Vincent Foster in 1993.

Heymann, a Harvard law professor who resigned in 1994 as No. 2 at the Justice Department, recalled how he became upset when he learned on July 22, 1993, that then-White House counsel Bernard Nussbaum had refused to allow Justice Department attorneys to inspect documents in Foster's office.

In a shouting match with Nussbaum, Heymann recalled, he accused the White House counsel of having "misused" Justice Department officials by inviting them to be present when the office was searched

while preventing them from deciding which documents were relevant to the police investigation of Foster's death.

Heymann said he warned Nussbaum that the White House was making "a terrible mistake" that eventually would be the subject of Senate hearings if Justice Department officials were not allowed to at least inspect the first few pages of every file in Foster's office to determine what materials were relevant.

His criticism, reinforcing Republican allegations that the White House obstructed justice, provided the most dramatic testimony in three weeks of hearings by the special Senate investigating committee.

But Heymann did not accuse the White House of violating the law. In fact, he said that even though he insisted that law enforcement officials should see the documents, he had no legal right to make such a demand because it would compromise the confidentiality of presidential materials.

Poll: Clinton fishy on Vince Foster's death

NEW YORK (AP) — Almost half of Americans believe the Clinton administration is covering up something in the death of White House counsel Vincent Foster, says a Time-CNN poll released Wednesday.

The survey also indicates that 20 percent believe Foster was murdered. And 45 percent said they are "not sure" if the lawyer's death was a suicide or a homicide.

When asked whether they

think the administration is covering up anything in the investigation, 45 percent said yes.

For the poll, 1,000 adults were contacted by phone July 19 and 20. The poll has a margin of error of plus or minus 3 percentage points.

Foster, a former Arkansas law partner of Hillary Rodham Clinton, died in July 1993. Investigators concluded he died of a self-inflicted gunshot wound.

Nor did he confirm GOP suspicions that White House officials were motivated by the desire to cover up something that law enforcers might find in Foster's office. Instead, he attributed Nussbaum's judgment to "clumsiness and paranoia."

But at the time, Heymann admitted that he, too, suspected a White House coverup. As a result, he said he asked Nussbaum: "Bernie, are you hiding something?" And Nussbaum replied, "No, Phil, I promise you we're not hiding something."

Nussbaum is scheduled to appear before the committee next week.

Memories of Watergate, the

scandal that brought down President Nixon, were revived as Heymann described his thinking during the crucial days after Foster's death on July 20, 1993. Like Watergate, the Foster suicide began as a small-scale police inquiry and mushroomed.

Heymann said he first got to know Nussbaum during the Watergate era.

Heymann said he knew from investigating previous scandals that the public would not accept the credibility of the Foster investigation if the White House controlled it. He said a player with a stake in the outcome cannot act as referee.

The Washington Times

Grand jury hears from aide to Clinton

ASSOCIATED PRESS

White House aide Patsy Thomasson, who says she went into Vincent Foster's office the night of his death to look for a suicide note, testified for an hour yesterday before the Whitewater grand jury.

Miss Thomasson was subpoenaed for questioning about the handling of Mr. Foster's papers and she provided full cooperation to prosecutors, said her attorney, David Williams, who accompanied her to the federal courthouse.

Miss Thomasson is expected to be called as a witness in next week's Senate Whitewater hearings, which will highlight inconsistencies in witnesses' accounts of what went on at the White House after Mr. Foster's death. Mr. Foster was deputy White House counsel.

Miss Thomasson, then-White House Counsel Bernard Nussbaum and Hillary Rodham Clinton's chief of staff, Margaret Williams, say they removed nothing during their brief nighttime search of Mr. Foster's office on July 20, 1993.

But a Secret Service guard says he saw Mrs. Williams carry papers out of Mr. Foster's office or from the suite where his office was located, say sources familiar with the investigation. Mrs. Williams denied the accusation and passed a polygraph test, according to sources who spoke on the condition of anonymity.

The handling of Mr. Foster's papers became part of the Whitewater probe because two days after his death, White House aides removed a folder of tax documents on President and Mrs. Clinton's real estate venture from Mr. Foster's office. The Whitewater file and other personal papers of the Clintons recovered from Mr. Foster's office were locked in a closet at the White House family residence for several days at the direction of Mrs. Williams before being turned over to the Clintons' personal attorney.

Mr. Foster's body was found in Northern Virginia's Fort Marcy Park. Two investigations concluded that he died of a self-inflicted gunshot wound to the head.

DATE: 7-12-95

PAGE: 9-4

The Night Foster Died

White House: Attempting to protect the Clintons, panicked aides fueled the Whitewater scandal

BY MICHAEL ISIKOFF

MAGGIE WILLIAMS'S BEEPER went off at about 9:45 p.m. Hillary Rodham Clinton was calling, and the news was devastating: Vince Foster, the White House deputy counsel and one of the Clintons' oldest friends, had been found dead, an apparent suicide, in Fort Marcy Park across the Potomac River from Washington. As the First Lady's chief of staff, Williams kept a low profile but wielded a large influence in the Clinton White House; she, too, thought of Foster as a friend. Half in shock, she left her home and went to Foster's office in the White House's West Wing. Patsy Thomasson, another staffer, was already there. Williams collapsed on the sofa, sobbing about being unable to imagine the office without Vince. Foster's boss, White House Counsel Bernard Nussbaum, came in and saw Thomasson behind Foster's desk. "I am here looking for a note," Thomasson told him. Nussbaum helped her, but they found nothing. Then, all three say, they left Foster's office without taking anything from it.

Like virtually every other aspect of Whitewater, this version of history is in dispute—and next week it will be the focus of Senate hearings chaired by Sen. Al D'Amato of New York. Since the July 1993 night when Foster killed himself, the White House has been vague about what, exactly, happened in and around his office—especially about the fate of papers related to the Clintons' Whitewater real-estate dealings. Now, on the eve of the new congressional inquiry, NEWSWEEK has reviewed Foster's Whitewater file and key Secret Service documents and interviewed White House aides, other witnesses and lawyers involved in the case. What emerges is a detailed account of how aides—driven in part by a desire to protect the Clintons from any embarrassment—reacted after Foster's

death. White House officials concede that the staff was sloppy, but deny any attempt to cover up or obstruct justice.

The possibility that Whitewater caused Foster's death is the holy grail for right-wing conspiracy theorists, and the hearings will revive all the unanswered questions about the sputtering scandal—and raise new ones as well. D'Amato, Republican to the core, has a rock-'em, sock-'em style and, NEWSWEEK has learned, a witness who says Maggie Williams carried a carton full of papers out of Foster's office that night. She denies it, and others explain the conflicting stories as the product of the confusion of those hectic hours. "People were shocked, upset, confused [by Foster's death] and their recollections differ," says Mark Fabiani, a White House associate counsel. "Nobody should be surprised about that."

Torn note: The main issue is whether Clinton's staff exercised enough care in preserving evidence after Foster's death—and specifically, whether anything was removed from his office that suggests Foster killed himself over Whitewater. NEWSWEEK's reporting shows that Clinton aides consistently hindered U.S. Park Police officers who were investigating Foster's death, and that Nussbaum ignored a torn note in Foster's briefcase—even after aides pointed it out to him. That note turned out to be the best evidence about Foster's state of mind. But NEWSWEEK has uncovered no evidence that Foster's death was in any way connected to the Whitewater scandal. Nussbaum, who left the administration in 1994, says the Senate investigation is "much ado about nothing." But a senior White House adviser concedes that the hearings are likely to be "messy."

The mess began at about 8:30 on the evening of July 20, 1993, when Park Police informed the Secret Service that the dead man in Fort Marcy Park was a White

House official. David Watkins, director of White House management, was at the movies with his family when the Secret Service beeped him. Watkins went to Foster's house in Georgetown and gave the bitter news to Foster's wife, Lisa, who instantly broke down. Soon, a number of administration officials and old Arkansas friends came

to console the family—and in the confusion, Park Police officers Cheryl Braun and John Rolla gently tried to interview family members about Foster's suicide.

They got little or no cooperation. Braun told Senate investigators that Webster Hubbell, the former associate attorney general who was one of Foster's colleagues at the Rose Law Firm in Little Rock, "came up and shoved me out of the way" when she tried to question Foster's sister. Braun also testified she asked Watkins to seal off Foster's White House office. Watkins says he can't recall Braun's request. But he did hear Lisa Foster ask if her husband had left a suicide note and, at 10:34 p.m., Watkins reached Thomasson to ask her to search Foster's office.

Flash point: That was how she, Nussbaum and Williams wound up together in the West Wing that night—and brief as it was, their intrusion may be a flash point in the Senate hearings. NEWSWEEK has learned that a uniformed Secret Service guard, Henry O'Neill, has told FBI and Senate investigators that Maggie Williams was carrying a box of documents when she left the room. Williams denies

Whitewater special prosecutor, Kenneth Starr, gave her a lie-detector test last year to try to settle the question. Williams passed, and White House sources say O'Neill may be mixed up about the timing. But O'Neill has told investigators he is certain he saw Williams carrying the box at night—and if he's right, that could only have been the evening of Foster's death.

The mess got worse the next day. Park Police were well aware of Foster's importance within the administration: obviously, his suicide could have political repercussions. An investigative team arrived at the White House to look for evidence. First, the cops were forced to cool their heels in the basement. Then they learned that Nussbaum, Thomasson and Williams had already been in Foster's office. At that point, "good police work was out the window," says one of the Park Police investigators—the evidence, he claims, had already been "contaminated." The cops complained through channels to the Department of the Interior,

which consulted the Justice Department. Justice and the White House finally agreed that the police, accompanied by FBI agents, would be allowed to observe while Nussbaum and other White House lawyers searched Foster's office.

This was more reasonable and less sinister than it sounds—Foster's office was crammed with sensitive information, most of it protected by executive privilege. But the negotiations delayed the search for a full day, and the cops and some Justice Department officials were angry at the way it was conducted. The investigators

were forced to sit in chairs around the periphery of the office while Nussbaum pawed through Foster's papers, sorting them in piles. Some were clearly personal: they went to Foster's family. Some were Bill and Hillary Clinton's private records: they went to the Clintons' outside legal counsel. And some, like a list of prospective nominees for the Supreme Court, were top-secret records of the Clinton presidency that were shielded by executive privilege. At one point, an FBI agent stood up from his chair. "I hope you're not trying to get a peek," said White House Associate Counsel Cliff Sloan.

Straight arrow: Somehow, they missed the only piece of evidence that suggests Foster was depressed—the shredded note that described his agony at the political sniping that, to Beltway veterans, is sim-

UIC
private man—a straight arrow who took great pride in his own rigorous ethical standards. But at the White House, he saw his old friends Bill and Hillary—and himself—subjected to criticism. One issue was the purge of the White House travel office, which made the Clinton crowd look like patronage hacks. Foster had seemed obsessed by it. Nussbaum, during his search, unloaded Foster's briefcase and turned it upside down. "It's empty," he said.

UIC LR
It wasn't. As NEWSWEEK sources tell it, Cliff Sloan called Nussbaum's attention to scraps of paper in the bottom of the briefcase—but only after the Park Police and the FBI had left. Mike Spafford, a lawyer for the Foster family,

told investigators that Nussbaum brushed Sloan off. Nussbaum and Sloan say they don't recall the incident. It wasn't until four days later that another White House lawyer, Steven Neuwirth, discovered the shreds and assembled them into the note investigators now believe offers the clearest clue about Foster's state of mind. "I made mistakes from ignorance, inexperience and overwork," it read in part. "I did not knowingly violate any law or standard of conduct." Foster's wife says the note was probably her husband's draft for a statement on the travel-office flap—not

Whitewater. (NEWSWEEK has also reviewed a previously undisclosed handwritten notebook in which Foster painstakingly detailed his actions in the travel-office controversy.)

Foster's file on Whitewater, which was moved from his office to a closet in the White House residence after his death and kept there for three days, consists of 52 pages of documents. The papers are mostly routine—stock certificates, the Whitewater company's corporate charter and the financial records used to prepare an in-house report on Whitewater that was largely ignored by the press and public during the 1992 campaign. The file does include some

curious details, at least one of which could be embarrassing to the Clintons. There's a 1990 warning from the Clintons' accountant that says the company's books were a shambles. And there is a memo written by Foster suggesting that, ironically, he got involved in Whitewater only because Clinton financial adviser Jim Blair missed a crucial December 1992 meeting after Blair's plane couldn't land because of fog at the Little Rock airport. But there is no document, memo, note or scrap of paper suggesting that Foster, the Clintons or anyone else was orchestrating a cover-up.

The White House is now in the impossi-

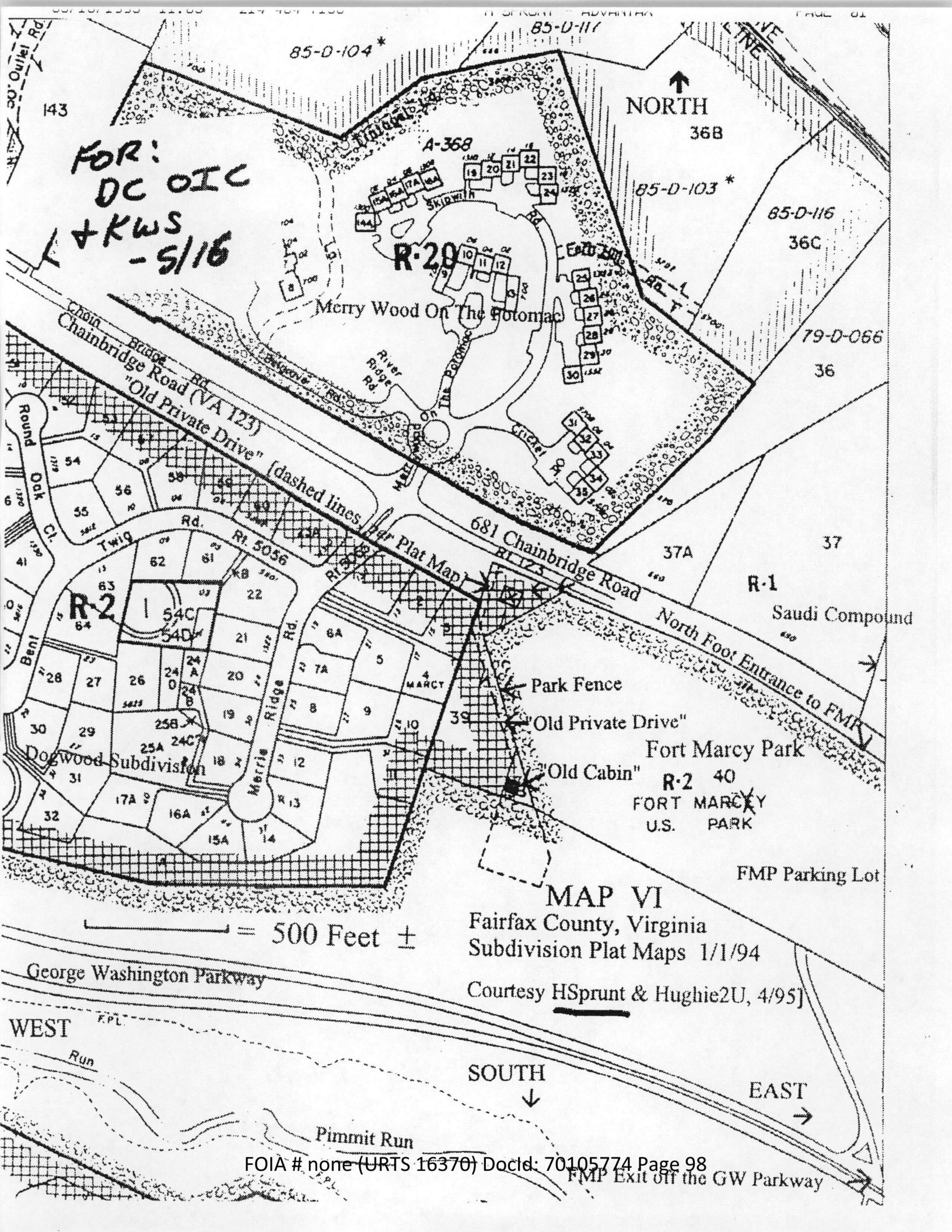
UIC LR
ble position of trying to prove a negative. Nussbaum, Thomasson and Williams cannot demonstrate that Foster's papers did not contain an incriminating memo; they can only say they never saw one. The Senate hearings, meanwhile, will show that Nussbaum, Watkins, Thomasson and other aides quite plainly bungled the investigation of Foster's death. All suicides leave a mess behind, but this mess, with its implications for the 1996 campaign, is larger than most. The sad part, for those who knew Foster, is that his private tragedy has now become a very public embarrassment for his friends.

With TOM MORGAN/STAFF IN NEW YORK

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FOR:
DC OIC
+ KWS
- 5/16

85-D-104*

85-D-117

NORTH
↑

36B

A-368

85-D-103*

85-D-116

36C

R-20

Merry Wood On The Potomac

79-D-066

36

Chain Bridge Rd
Chainbridge Road (VA 123)
"Old Private Drive" (dashed lines)

681 Chainbridge Road

37A

37

R-2

R-1

Saudi Compound

Park Fence

"Old Private Drive"

Fort Marcy Park

"Old Cabin"

R-2 40
FORT MARCEY
U.S. PARK

FMP Parking Lot

MAP VI

Fairfax County, Virginia
Subdivision Plat Maps 1/1/94

Courtesy HSprunt & Hughie2U, 4/95]

500 Feet ±

George Washington Parkway

WEST

SOUTH
↓

EAST
→

Pimmit Run

MEMORANDUM

TO: Judge Starr
Mark Tuohey
Hickman Ewing ✓
John Bates

CC: Ed Lueckenhoff
Dana Gillis



FOIA (b)7 - (C)

FROM: Brett Kavanaugh

RE: Foster Death Investigation

DATE: May 15, 1995

The following are the steps that Mark, Hickman, John, and I discussed today as possibilities for our continuing investigation of the physical evidence (as contrasted to state of mind).

1. Fingerprint on Gun

We are currently attempting to obtain Mr. Foster Sr.'s fingerprints from the military records center. If that proves fruitless, we may attempt to find his fingerprints from the Foster home in Hope. (If the fingerprint on the underside of the grip matched Mr. Foster Sr., that obviously would be a very significant step in our investigation.)

2. Carpet Fibers

We may obtain carpet fibers from various sources and attempt to match them to the fibers found on Foster. The possible sources are (a) his car; (b) the White House; and (c) his house in Georgetown.

3. Search of Park for Bullet

We may search the entire park for the bullet.

4. Stains on Shirt

The FBI lab is currently testing Foster's shirt to determine what if any material other than blood was present on the shirt.

5. Palm Print on Note (more relevant to Foster documents investigation)

We may try to match the palm print on the note to Foster's palm print. To do so, we would need to find a palm print from Foster. That would not be easy, but we can consult the lab and/or experts on the possibilities in this regard.

If we could not obtain a Foster palm print or if the prints did not match, we might obtain palm prints from various other persons in logical order: (1) the Park Police officers who handled the note; (2) Neuwirth, Gorham, Pond, Tripp, and Nussbaum; and (3) Williams, Castleton, and Thomasson.

Body/scene Death

- * gun position in hand (color?)
- * blood-face, shirt, ground
- * powder burns in mouth
- * residue on hands
- * Thumb indentation

THE DEATH OF VINCENT FOSTER. WHAT REALLY HAPPENED?

--Jeremiah Films

This video was produced by the same people who produced "The Clinton Chronicles." It begins with a statement to the effect, "The following information is documented, and true." Some of the highlights of this video are as follows:

INTRODUCTION

Excerpts from Vince Foster's May 8, 1993, commencement address at The University of Arkansas Law School.

Shot of the cannon at Fort Marcy Park on July 20, 1993.

Picture of Vince Foster, and then Fort Marcy Park.

Confirmation by the media that it was a suicide.

It was six months until the mainstream media questioned this. [Shows copy of Chris Ruddy's article in the new York Post.]

Vince Foster excelled in high school as a student and an athlete. He did well at the University of Arkansas Law School and joined the prestigious Rose Law Firm. [It shows a picture of Vince Foster, a video of Hillary Clinton at a much younger age, and a video of Webb Hubbell.]

The Citizens for Honest Government presents: "The Death of Vince Foster. What really happened?"

I. PART ONE - THE INCONSISTENCIES

At Bill Clinton's and Janet Reno's insistence, the matter was investigated by the U.S. Park Police. It was not until seven months later that the FBI was allowed in. The Fiske Report issued on June 30, 1994, confirmed that it was a suicide. However, there are alarming contradictions.

1 - Very little blood at scene.

Sergeant George Gonzalez, who was the first on the scene, said he was shocked at the lack of blood at the scene.

Chris Ruddy - Most people on the scene that night had never been interviewed. In January 1994, I met with some of the EMT's and the police. Many confirmed that there was very little blood on the scene. One said, "This one

was different."

Gene Wheaton (GW) - former homicide investigator and special agent with the U.S. Army CID - I was hired to go to Washington and look into this. The events surrounding the investigation indicate that it had to be a cover-up. Never in my career had I seen a case like this. In most gunshot wounds to the mouth, there is a "blow back." A .38 caliber stuck into the back of the mouth, would produce a large amount of gases.

Citation to the Fiske Report.

Richard Mason disagrees, giving his opinion about heart activity.

Citation to Fiske Report, page 52. This is contradicted on page 36 by Dr. Haut. It is reported in the Fiske Report that Haut says that there was a large pool of blood. Haut disputes this. Cory Ashford, one of the people who moved the body, said he could not even see an exit wound.

Ruddy - quoting Ashford.

- 2 - Foster's head assumes four different positions after death.

Ruddy - There were four different blood tracks.

Rod Irvine Accuracy in Media - U.S. Park Police realized this was a problem. There was an analysis of blood staining patterns. In the Fiske Report, they talk about the position of the head. It is stated, with no evidence, we conclude that someone at the scene must have moved the head. George Gonzalez denies this.

- 3 - No skull fragments found at the scene.

Copy of the autopsy report shown, indicating the size of the exit wound. The autopsy report shows a one inch hole. It was stated in some report that the surrounding ground was excavated to a depth of eighteen inches.

GW - There is an oddity that no skull fragments were found at the scene. Where are they? They should have been around the body. Therefore, it is most logical: (1) that they were picked up and destroyed; or (2) the body was moved.

The Fiske Report rejected this.

4 - Gun found in Foster's hand.

GW - I have investigated hundreds of deaths. There is a recoil from a .38 caliber weapon. I can't recall ever finding a pistol in a victim's hand after a death with a large caliber weapon like a .38.

Ruddy - Normally, the gun is not in the hand, and it is thrown away from the body. In this case, it was almost neatly at his side.

GW - I have seen cases of suicide where the weapon is sometimes thirty to forty feet away. It is never in the hand.

5 - Gun found in wrong hand.

The Fiske Report states that the gun was reportedly in the right hand. Foster was left-handed. This was not mentioned in the report.

GW - It is illogical to think Foster shot himself with his right hand. I have even been told he was almost non-functional with his right hand, because he was such a seriously left-handed person. If someone staged the suicide scene, it would be a normal assumption that he was right-handed, since most people are right-handed.

6 - Foster's fingerprints not on gun.

According to the FBI, there were no prints of Vince Foster developed on the gun.

The Fiske Report, page 46, tries to explain this, by stating latent prints can be destroyed by certain things such as heat.

There was one latent print on the underside of the grip that did not belong to Vince Foster. There was no attempt made to determine whose it was.

7 - Powder residue suggests Foster did not fire gun.

Ruddy - There was powder residue reported on the right index finger, in the web of the hand, and on the left index finger. This would indicate that his hands were around the front cylinder gap. The fact that he had powder burns on both hands means he would have had both hands over the cylinder, with no grip on the butt of the gun. It would be very, very difficult to fire the weapon in that manner.

Now, despite the Fiske Report, most forensic experts doubt that Foster pulled the trigger himself.

8 - Powder on Foster's clothing did not match gun.

The gun powder on Foster's clothing did not match the powder on Foster's hands.

According to the Fiske Report, this possibly occurred because that powder possibly blew on there from the exhaust fan at the Park Police lab. Fiske was not able to support this with any evidence.

9 - Gun not positively identified as Foster's.

The Colt .38 has yet to be positively identified. Foster's three children all said it was not the one they had seen at home. Lisa Foster said that they kept only one gun at home, and it was found that night.

Irvine - The gun was a 1913 Colt Army special made from parts of two guns. It is almost untraceable.

GW - This is the classic type weapon used by political assassins or organized crime hit men.

There were only two bullets. There was no ammunition for this gun in Foster's house.

Irvine - They apparently were the only two bullets he had.

GW - If the gun was at home, he would have had a box of rounds there. This is a classic assassination type scenario.

10 - Fatal bullet never located.

The bullet has yet to be found. Later, the FBI did a search of the area and found seventy pieces of metal, some going back to the Civil War. There were twelve modern-day bullets found, but no bullet that matched the gun.

11 - No gunshot heard.

The Fiske Report, page 56, states that one of the reasons something might not have been heard was because of traffic in the area.

GW - This is illogical. There would be a most explosive-type noise in and around the cylinder.

Contrary to usual police procedures, not one resident nearby was contacted to see if a gunshot was heard.

12 - No dust found on Foster's shoes.

Page 12 of the FBI lab report states there were mica particles. It also says it did not contain any coherent soil samples.

Ruddy - This is impossible. If you walked in the park, there would be soil on your shoes.

GW - Nothing at that crime scene makes sense. Nobody has questioned this officially, and I can't understand why.

Why has there not been a stronger reaction to this phony, flawed investigation and final report.

Despite Fiske Report's conclusion that there is "overwhelming evidence" of suicide, there is not overwhelming evidence.

Six pieces of evidence which indicate it is likely Foster did not die in the park.

1. Very little blood
2. Four different head positions
3. No skull fragments
4. No bullet
5. No gunshot reported
6. No dust on shoes

Three pieces of evidence which indicate it is more than likely Foster did not fire gun himself.

1. Gun still in hand
2. Gun in wrong hand
3. Untraceable weapon used

GW - Based on the entire scenario of Vince Foster's death, the preponderance of the evidence indicates he did not commit suicide.

In addition, the FBI found in or on his clothing other items including: (1) multi-colored carpet fibers; (2) seaman; (3) long blonde hairs.

Ruddy - The FBI did suction analysis on the clothing. Fort

Marcy Park is not carpeted. Was he on a carpet before he died? Or was the carpet involved in the movement of the body?

Ruddy - The FBI investigators who appeared before the Senate Banking Committee said something interesting, "Well, these things were there, but it could have been anything, and we dismissed it out of hand."

[Vidco shows agents Monroe and Colombell, and Dr. Hirsch.]

Irvine - The Fiske Report indicates no effort was made to find out what carpet might have been in contact with Foster, what hairs, seaman, etc. This evidence could have provided clues as to where Foster was between 1:00 and 6:00 p.m. Yet, this evidence was never investigated!

II. PART II THE COVER-UPS

A. Cover-ups

There were a number of cover-ups related to the Foster death.

1. Falsified position of the body - a second crime scene created that night

Initial interviews of some of the people on the scene by Chris Ruddy indicated that the body was closer to cannon #1, rather than cannon #2, as indicated in the official reports.

Ruddy - The official report says the body was some 600 feet from the parking lot. There were two cannons at Fort Marcy Park that day, and two sites. One of the paramedics drew me a map (Gonzalez). This map sketch by Gonzalez was similar to a sketch drawn for Reed Irvine by Dr. Haut. It indicates that the body was 20-50 feet from the first cannon.

Concerning photographs of the crime scene, originally, the official position was that there were no photographs. They later said that they took photographs, but they were overexposed.

Ruddy - In a normal homicide investigation, one of the things that should not be in dispute is where the body was found. It was originally reported there were no photographs taken. Then they released thirteen close-up polaroids, which is against all procedures of taking crime scene photographs. They then said they took some others, but they were not exposed properly.

GW This makes no sense.

ABC News released one of the polaroid pictures. It depicted certain foliage around Foster's body. The foliage contradicts the official report that the body was near cannon #2. The path below cannon #2 is all dirt. There is a lot of foliage in the spot where the people reported that the body was near cannon #1.

A second crime scene was created that night.

As to the bullet, it was originally said that no metal detectors were used. Later, they said they did use metal detectors. The Fiske people and FBI found seventy pieces of metal near the cannon 2 site, including twelve modern-day bullets; yet, the bullet matching the gun in Foster's hand was not found.

The Fiske Report, page 56, stated that in all likelihood, further searches would be "unproductive."

2. White House demanded key evidence, and Park Police gave it to them. This included papers, etc., given back.

[Video of John Rolla testifying before the Senate Banking Committee]

Ruddy - Park Police gave crime scene evidence away within hours of finding the body, including the White House beeper, which possibly could have had latent prints, etc. [Video of Senate Banking Committee hearing]

The next day, papers, etc., were given back.

[Video of Senate Banking Committee. Senator Domenici asks special agent Monroe about the job of the Park Police in the investigation. Monroe stated words to the effect, "I think they did an adequate job. I feel inadequate to evaluate another agency's work."

The FBI was kept out of the investigation. [News clip regarding Judge Sessions and his firing]

Bill Clinton fired the head of the FBI.

Ruddy - Sessions charged that this "lead to a compromised investigation."

Fiske recommended to Bill Clinton that he fire Sessions and hire Freeh.

[Video showing Senator Faircloth asking a question as to why the Park Police were in charge]

[Video of Senate Banking Committee showing Dr. Beyer, and investigators Cheryl Braun and John Rolla, at the table]

The national news media fell in line with Bill Clinton's explanation.

Ruddy - The Park Police tested the gun on August 12, yet they ruled it was a suicide on August 10, before they tested the gun.

GW - You always approach a death from the standpoint of a homicide, until you prove that it is not.

[Scene showing pallbearers carrying the casket at the funeral. Webb Hubbell and Bill Kennedy appear to be the pallbearers in the back.]

At the time of death, no one called it from a depression.

Irvine - Lisa Foster won't talk. I asked Mrs. Foster on the phone whether Vince Foster was right handed or left-handed. She said, "No comment."

GW - All the Park Police were ordered to keep their mouths shut.

Debra Gorham, White House employee, was interviewed by Reed Irvine. He asked if she was pressured not to talk, and she replied, "No comment."

GW - The investigators did not think it was a suicide. Their superiors ordered them to write it up that way.

B. Was Foster suicidal?

Initially, the answer was, "Absolutely not." The secretary said there was nothing unusual. Bill Clinton said there was nothing unusual.

But the Fiske Report said that he was depressed, he organized his desk, he paid bills, he was apparently stiff that morning, and he was apparently distracted.

Apparently, Foster had a Trazadone prescription from the family doctor.

Everyone fell in line that he was depressed.

[Video] Hillary Clinton said on April 22, 1994, "No one had a clue. Neither did the people who spent the weekend with him."

Day of death - no suicide indications

- 1. Drove children to work
- 2. No final words
- 3. No final preparations
- 4. Arrived on time
- 5. Worked conscientiously
- 6. Set up future appointments
- 7. Ate lunch
- 8. Read the newspaper
- 9. Checked out a pager
- 10. Said he would return later
- 11. Wrote no suicide note

[Representative Dan Burton - video - They said they found a note on July 26, 1993. They said they missed the note in the first search.]

Irvine - There was not anything in this "note" about suicide.

GW - How they could claim that they missed 27 pieces of a note is ludicrous. They were not searching a warehouse. They were searching a briefcase.

There were no prints on the note.

CW - Prints are easily obtained from a piece of paper. How can you not tear a piece of paper into 27 without leaving prints, unless you use gloves?

Burton - [shown holding up a copy of the Fiske Report] - This is not worth the paper it is written on.

Faircloth - Referring to the Fiske Report as superficial.

Ruddy - [holding up Fiske Report] The report looks very thick, when in actuality it is only 58 pages long. Most of it is indexes containing the various biographies of those experts used by Fiske.

Dr. Beyer, who did the autopsy, has had two of his prior

suicide rulings reversed, due to flawed autopsies.

Ruddy - [goes in to the claimed x-rays and the later claim that there were no x-rays] - X-rays would have shown the exit wound, and the trajectory of the bullet. The autopsy report checked that x-rays were done. Also, in the narrative of the report, it indicates that x-rays were done. Yet, later, no x-rays turned up.

GW - This 76 year old pathologist has given very inconsistent statements.

Irvine - The technical man said that the x-ray machine was new equipment. The first service call concerning this machine was in October '93. Thus, it was in good working condition on July 20, 1993.

GW - If Fiske is serious about the investigation, he would have gotten an order exhuming the body, and had the autopsy redone.

Ruddy - Fiske did not use subpoena power.

GW - There was a failure to use the federal grand jury and to put the various witnesses under oath.

Bill Clinton gave conflicting versions of Foster's state of mind.

He at first said there was no depression. He said he had contact with him on July 18 and July 19. He said he was unaware of Foster's depression. He later said that he called on the night of the 19th to cheer up Foster.

III. PART III - THE RAID ON FOSTER'S OFFICE

[Viewed, but no detailed notes made]

[Shows pictures of Bernie Nussbaum, Maggie Williams, Patsy Thomasson, etc.]

Ending quote:

"Don't believe a word you hear; it was not a suicide."

- Webb Hubbell, July 20, 1993

At the conclusion of this video, it says you can call 1 800 828-2290, for additional copies or information.

 *** ACTIVITY REPORT ***

RECEPTION OK

TX/RX NO. 6234

CONNECTION TEL

CONNECTION ID

START TIME 05/15 12:00

USAGE TIME 06'41

PAGES 11

RESULT OK

5-8-95

0852 (BD received msg - she has talked to BK) -

Mary Dominic 301-657-1234 x7845

Wed, May 3 ^{WTina} - SA -

Top of pg - (ARC, NB, BD - joined bank

Covenant House - relig., Catholic charity - Praying ^{members} of VF -

M. Barm - embraced by B c last wk

Mu bro, Jim Kelly - drug dealer - Covenant House.

- ^{she} Caller

- Imp - lead - ARC was involved

- I believe BIC ---

The following investigation was conducted by SSA STEVEN D. IRONS:

On 3/3/95, an anonymous caller who utilizes the identifier "NOTEBOOK" advised a recent Wall Street Journal editorial focused on DAVID EDWARDS, a BILL CLINTON associate.

Regarding the indictment of NEAL AINLEY by the Office of Independent Counsel (OIC), NOTEBOOK suggested OIC contact C.A. EZELL, aka JUNIOR EZELL of Perry County for more information. EZELL was described as a bitter enemy of HERBY BRANSCUM.

BRANSCUM was allegedly seen at the Arkansas State Legislature on the past Tuesday and looked like a zombie.

AINLEY was allegedly fingerprinted by the FBI last Thursday and was attempting to make light of it by that evening.

Some observers think AINLEY is fundamentally stupid or else covering up for someone higher up than BRANSCUM.

AINLEY allegedly spoke to the First National Bank of Morrillton, Arkansas, within the past week about operating a new branch for them in Perry County. He may have spoken to CHARLES PENICK, telephone 501/354-4601.

AINLEY also is alleged to have spoken to a bank in South Arkansas about opening a branch in Perry County within the past few weeks.

NOTEBOOK suggested the OIC speak to HELEN BRANDON at the Bank of Perry County.

Some observers have stated ROB HILL and BRANSCUM run Perry County.

AINLEY was hired out of the blue to be President of the Bank of Perry County, having worked previously for the State Banking Department. He may left due the Board of Directors getting rid of him, and there are rumors he used petty cash funds to send flowers to his wife.

DANA HYDE of JOHN EMERSON's office at the White House may be especially close to BRUCE LINDSEY.

Some observers feel the AINLEY case is a big joke and that the OIC is not a threat to politics as usual in Arkansas.

There are recent rumors, not specific, concerning the close friendship of Circuit Judge HELEN BRANTLEY and HILLARY CLINTON, with the general indication CLINTON may seek some type of

assistance from BRANTLEY. BRANTLEY's husband is MAX BRANTLEY, a political commentator in the Little Rock area.

United States Attorney PAULA CASEY is rumored to be under investigation for obstruction of justice.

MEMORANDUM

Date: July 6, 1995
From: Hickman Ewing
To: File
Subject: Lunch with the President

On Sunday, July 2, 1995 the Arkansas Democrat Gazette carried a full page of coverage, and then some, on Bill Clinton's being in Little Rock. There was apparently a luncheon where a lot of dignitaries were present. On page 4D of the Sunday paper, some of the pictures included: Bill Clinton, Hillary Clinton, Senator Dale Bumpers, Senator David Pryor, Governor Jim Guy Tucker, Bruce Lindsey, Betsey Wright, Jim and Diane Blair, Gerome Green, Rex Horne, and Joe Giroir.

Among the other guests at the luncheon were: Maurice Mitchell, Sam Perroni, Jane Dickey, Richard Mays, Buddy Sutton (who represents Tucker), Rett Tucker, Doug Buford, Ness Sechrest (West Memphis), Mark Stodola, Lynda Dixon, Bill Kennedy, Jimmie Lou Fisher, Sam Braton, Jerry Atchley, Nate Coulter, State Senator Bill Walker, Dick Kelley of Hot Springs, Mayor Helen Selig of Hot Springs and husband, John, and Herbie Branscum of Perryville.

In side-by-side pictures were two people who either took the fifth amendment in front of the Little Rock grand jury, or who indicated they would take the fifth on all questions;

Memorandum

Office of the Independent Counsel

To : William S. Duffey, Jr.

Date 2/26/95

From : Steven M. Colloton *SMC*

Subject: Interviews of President and Mrs. Clinton

This is in response to your request for input concerning the amount of time that will be sought to interview the Clintons. [REDACTED]

At this point, it is difficult to determine the scope of such questioning. If we gather no corroboration for the [REDACTED] it is likely that the questioning will be brief: perhaps 10 to 15 minutes for each witness. If we do locate documents or witnesses that suggest a relationship between [REDACTED] we likely will have more questions. The productions by [REDACTED] which are due February 28, 1995, should give some insight on this issue.

In any event, I suggest that you definitely include [REDACTED] as a subject of the interviews. At this point, the time budgeted for that matter should be minimal. If, however, we are in a position where we cannot expand the time after providing an estimate to David Kendall, then I suggest that you budget a larger block of time (perhaps an hour per witness) for [REDACTED]. We can later reduce that allotment considerably if there is no need for that amount of time.

TELECOPY COVER SHEET

OFFICE OF THE INDEPENDENT COUNSEL
1001 Pennsylvania Avenue, N.W., Suite 490N
Washington, D.C. 20004
telephone (202) 514-8688 facsimile (202) 514-8802

Date: 6/2/95

TO: Hickman Ewing

Company Name: OIC-LL

Fax Number: 501-221-8707 Telephone Number: _____

FROM: Tom Craig

Number of Pages: 4 (including this cover sheet)

Message: 44 I

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EDWARD BENNETT WILLIAMS (1920-1988)
PAUL R. CONNOLLY (1922-1978)DAVID E. KENDALL
(202) 434-5145

June 1, 1995

~~Confidential~~By hand and FAXMark Gabrellian, Esq.
Senior Counsel
Professional Liability Section
Resolution Trust Corporation
1717 H Street, N.W.
Washington, D.C. 20006

Dear Mr. Gabrellian:

This will acknowledge receipt of your letter dated May 25, 1995. I appreciate your affording me notice, pursuant to 12 C.F.R. §1625.6(d)(2), that the RTC has received a demand from staff of the Oversight and Investigations Subcommittee of the House Banking and Financial Services Committee for a copy of the President's and Mrs. Clinton's answers to the RTC's interrogatories which were submitted to the RTC last week. My only concern here is for the fairness and the appearance of fairness of the administrative process. As you know, the President and Mrs. Clinton have cooperated fully with the RTC's investigation into the Madison Guaranty Savings and Loan Association matter.

If the RTC has completed its investigation, I have no objection whatsoever to the interrogatory answers being provided to the Committee staff.

FOIA # none (URTS 16370) DocId: 70105774

Determined to be an
Administrative Marking
Page 121
Not National Security Information
By clp, NARA Date 3/3/2010

WILLIAMS & CONNOLLY

Mark Gabrellian, Esq.
June 1, 1995
Page 2

If the RTC has not yet completed its investigation, however, it is difficult to see what legitimate purpose is served by providing this material to the House Committee staff at this time. Broad as Congressional oversight jurisdiction is, it does not entitle committees of the House or Senate or their staff to interfere with open administrative agency investigations. The cases cited in my May 24, 1995, letter plainly so hold. As the Justice Department's Legal Counsel, Charles J. Cooper, Esq., has observed: "intolerable practical restraints on discretion may result and the effectiveness and fairness of investigations may be impaired if Congress becomes, in a sense, a partner in an ongoing investigation. If a congressional committee is fully apprised of all details of an investigation as it proceeds, there is a substantial chance that congressional pressures will influence the course of the investigation." Office of Legal Counsel Opinion, 9 Op. O.L.C. 86, 89 (Sept. 24, 1985). There is an equivalent danger that such pressures "will be perceived to influence . . . the course of the investigation." Office of Legal Counsel Opinion, 13 Op. O.L.C. 93, 97 (March 24, 1989) (emphasis added).

My concern (and I am certain that both the RTC and the House Committee share this concern) is that the fact and the appearance of independence and fairness be preserved in this investigation. To that end, I believe that safeguards ought to be in place

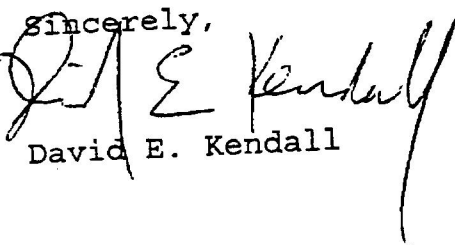
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Mark Gabrellian, Esq.
June 1, 1995
Page 3

before open investigatory files are divulged to third parties. The premature disclosure of internal predecisional agency deliberative documents or the active involvement of Congressional staff in a pending agency investigation may give rise to the not unreasonable perception of improper interference with the agency's investigation, whatever the reality.

The RTC must, of course, make its own judgment as to the appropriate steps to be taken to assure that its investigation into the Madison Guaranty matter not be subject to improper interference by third parties or to the perception that its investigation might be compromised. If appropriate steps are taken, I have no objection to the requested disclosure.

Sincerely,



David E. Kendall

cc: Hon. Kenneth W. Starr
Charles E. Patterson, Esq.

MEMORANDUM

Office of the Independent Counsel

To : OIC Attorneys and FBI
From : Robert J. Bittman
Date : January 7, 1995
Re : Updated Hubbell Chronology

Attached hereto please find an updated version of the chronology of Webb Hubbell's messages and meetings. Since the last version, I have added various important events, such as Paula Casey's request for recusal, Hale plea negotiations, etc. Early next week we should receive the balance of Hubbell's calendars and phone messages from his tenure at the Justice Department. We should be able to get all the relevant events programmed into the database in time for the interview with Hubbell on Thursday.

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

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
4/8/93 3:20:00	message	Hubbell	Lyons	"Would like to drop by to see you today at 5:30. Will be at Ely Seagall's office or Vince Foster's."
4/22/93 5:00:00	message	Hubbell	Lyons	"Please Call"
4/30/93 4:35:00	message	Hubbell	Lyons	"Please Call. H: 303-721-9813; W: 303-623-9000."
5/7/93 11:20:00	message	Hubbell	Lyons	"Returned your call. Please Call."
5/20/93 11:30:00	message	Hubbell	Kennedy	"Returned your call."
5/20/93 11:50:00	message	Hubbell	Lyons	"Is travelling but will try calling later. Spoke w/ Hank Brown last night and he said you have his vote on floor and full cmte."
5/20/93 3:35:00	message	Hubbell	Lyons	"Please Call. 619-454-7126. Is a San Diego number."
5/28/93	News		News	Hubbell confirmed by Senate
6/8/93 10:40:00	message	Hubbell	Lyons	"Please Call"
6/15/93 3:25:00	message	Hubbell	Randy Coleman	"Please Call"
7/8/93 1:25:00	message	Hubbell	Randy Coleman	"Please Call"
7/8/93 2:10:00	message	Hubbell	Kennedy	"Please Call"
7/13/93 10:30:00	meeting	Hubbell, et al.		"White House Mtg."
7/13/93 12:07:00	message	Hubbell	Randy Coleman	"Please Call"
7/13/93 1:30:00	meeting	Hubbell, Anthony, Hunger		"RTC Expenses Incurred in Hiring Private Counsel"
7/13/93 2:35:00	message	Hubbell	John Emerson	"Please Call"
7/14/93 12:10:00	message	Hubbell	Nussbaum	"Will be leaving for lunch shortly."

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
7/14/93 12:15:00	message	Hubbell	Lyons	"Please Call"
7/14/93 1:16:00	message	Hubbell	Lyons	"Please Call"
7/20/93 2:45:00	message	Hubbell	Nussbaum	"Returned your Call"
7/20/93 3:53:00	message	Hubbell	Lyons	"Please Call"
7/21/93				Foster death
7/26/93 11:52:00	message	Hubbell	Lyons	"Please Call"
7/28/93 9:30:00	meeting	Hubbell, RTC PLS		
8/10/93	message	Hubbell	Lyons	"Would like to see you tomorrow @ 5:30 or 6 pm." [no date on this message]
8/11/93 9:00:00	meeting	Hubbell, RTC PLS		"What does a judge want to know from PLS?"
8/12/93 12:40:00	message	Hubbell	Les Samuels (Treasury)	"Please Call. Ms. Reno suggested he call you."
8/13/93 9:55:00	message	Hubbell	Les Samuels	"Please Call"
8/20/93 3:00:00	message	Hubbell	O'Keefe	"Please Call"
8/23/93 12:18:00	message	Hubbell	Lyons	"Returned your Call. Please Call. If he doesn't answer have him paged or interrupted."
8/31/93 10:00:00	meeting	Hubbell, Lindsey		
8/31/93 1:30:00	lunch	Hubbell, Lyons, O'Keefe		
9/1/93 4:20:00	message	Hubbell	Randy Coleman	"Please Call"

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
9/3/93 10:20:00	message	Hubbell	John Sloan	"Sat. 501-664-5656. Will not be in the office this afternoon."
9/3/93 12:15:00	message	Hubbell	Randy Coleman	"Please Call"
9/3/93 4:29:00	message	Hubbell	Lyons	"Please Call. If his voice mail comes on, punch out of it, have him paged and interrupted."
9/7/93	meeting	Casey; Randy Coleman		Plea negotiations re Hale.
9/8/93 10:15:00	message	Hubbell	Lloyd Cutler	"Please Call"
9/8/93 12:08:00	message	Hubbell	Lyons	"Please Call. When you call back, if his voice mail comes on, he said to get out of it and have him paged."
9/9/93 11:32:00	message	Hubbell	Randy Coleman	"Please Call"
9/9/93 4:50:00	message	Hubbell	Lyons	"Please Call"
9/10/93 3:45:00	message	Hubbell	Deb Coyle	"Passing on invite from Gail & Bill Kennedy to you and Suzy for dinner at 7:30 9/21...."
9/13/93 9:20:00	message	Hubbell	Lyons	"Please Call"
9/13/93 1:40:00	message	Hubbell	Randy Coleman	"Please Call" [leaves H and W #s]
9/13/93 3:44:00	message	Hubbell	Lyons	"Will call again"
9/14/93 9:10:00	message	Hubbell	Lyons	"Please Call"
9/15/93	letter	Casey	Randy Coleman	"I cannot help but sense the reluctance in the USA's office to enter into plea negotiations in this case. I cannot help but believe that this reluctance is borne out of the potential political sensitivity and fallout regarding the information which Mr. Hale could provide to your office.... Would it not be appropriate...to bring in an independent prosecutorial staff?...I have offered an informal proffer of Hale's information...but I have received absolutely no interest in the process."

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
9/15/93 3:10:00	message	Hubbell	Randy Coleman	"Please Call"
9/16/93	letter	Randy Coleman	Casey	"My recollection of our meeting on 9/7 is that I told you that I would not consider granting immunity to your client nor would I consider only filing misdemeanor charges...Therefore, our plea negotiations are at an impasse. I did tell you that if Hale was willing to offer substantial assistance in the prosecution of other defendants, I would consult with my litigation committee about requesting a motion authorizing a reduction in sentence."
9/20/93	letter	Randy Coleman	AUSA Johnson	"Earlier today I phoned you and requested that you provide a proffer of any information your client wished to bring to our attention. You have responded by letter in which you indicated that you did not believe we will achieve anything further in plea negotiations."
9/20/93 5:50:00	message	Hubbell	Lyons	"Please Call. 202-338-8729. He will be at the above # for the next 45 mins."
9/21/93 5:10:00	message	Hubbell	Lyons	"Telephoned"
9/22/93 11:50:00	message	Hubbell	Lyons	"Please Call. Leaving DC now. Will be back in Denver this afternoon."
9/23/93	Indictment			Hale Indicted in Little Rock
9/23/93 1:30:00	message	Hubbell	Cliff Sloan	"Please Call"
9/23/93 1:39:00	message	Hubbell	Lyons	"Will call again"
9/23/93 1:47:00	message	Hubbell	Bill Taylor	"Please Call"
9/23/93 2:04:00	message	Hubbell	John Emerson	"Please Call"
9/24/93 10:50:00	message	Hubbell	Lyons	"Will call again. He is travelling today."
9/27/93	call	Hanson	Bill Roelle	Bill Roelle (RTC) tells Hanson of the upcoming criminal referrals to be filed mentioning the Clintons.

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
9/28/93 6:25:00	message	Hubbell	April Breslaw	"re: Madison Guaranty Savings."
9/29/93 11:10:00	message	Hubbell	April Breslaw	"Returned your Call. Please Call."
9/29/93 1:35:00	message	Hubbell	Kennedy	"Returned your Call. Please Call."
10/4/93 3:25:00	message	Hubbell	Lyons	"Please Call"
10/8/93	Referrals	USA Little Rock	RTC	RTC files 9 additional criminal referrals
10/14/93	meeting	Nussbaum, Hanson, Steiner, Sloan, Eggleston et al.		Meeting at White House to discuss press inquiries re RTC criminal referrals. [Gearan, Lindsey, Devore also present].
10/25/93 12:00:00	message	Hubbell	Lyons	"Please Call. Will be in town tomorrow. Would like to see you either on Wednesday or Thursday to discuss/review documents on WDC Company."
10/27/93	Letter	Lewis; Westbrook	Casey	"I concur with the opinion of the DOJ attorneys that there is insufficient information in the [C0004] referral to sustain many of the allegations made or to warrant the initiation of a criminal investigation." i.e. declination to prosecute C0004.
10/27/93 5:35:00	message	Hubbell	Lyons	"Is mtg. w/ Bruce Lindsey if you need to reach him. Suggests you take documents he needs to look @ w/ you tomorrow when you meet Jack Quinn for lunch."
10/28/93 12:00:00	lunch	Hubbell, Lyons, Quinn		lunch at the WH Mess
10/29/93 12:30:00	lunch	Hubbell, Marsha Scott		Lunch at Hay Adams
11/3/93	Memo	AG; AAG, Nathan, Harris	Hubbell	"I am recusing myself from any matter regarding [MGSL and the McDougals]." "Upon further consultation with David Margolis, I believe the Office of the Associate Attorney General should be recused on any of these matters..."

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
11/5/93	Letter	Heymann	Casey	"I am asking that you approve my request to recuse me and my staff from further investigation and prosecution of matters pertaining to [CMS, Hale and MGSL]."
11/9/93	Press Release			DOJ (Keeney) announces that the Fraud Section will take charge of the Hale case because Casey "and her staff had recused themselves because of their familiarity with some of the parties and the need to ensure...impartiality in the investigation."
11/16/93 10:00:00	meeting	Hubbell, WH		"Weekly White House Meeting"
11/16/93 12:00:00	lunch	Hubbell, Marsha Scott		
11/16/93 1:00:00	message	Hubbell	Lyons	"Returned your Call. 9-011-353-1-679-1122. He's in Dublin. He will be at the above # for the next 1 1/2 hrs. Returns to Denver Wed. and will be in the office Thurs."
11/16/93 2:30:00	meeting	Hubbell, Nussbaum, Freeh		meeting at White House
11/16/93 4:15:00	message	Hubbell	Kendall	"Needs to speak with you prior to lunch tomorrow."
11/16/93 6:10:00	message	Hubbell	O'Keefe	"Please Call"
11/17/93 12:30:00	lunch	Hubbell, Kendall, Barnett		
11/18/93 10:15:00	message	Hubbell	Kendall	"Please Call"
11/18/93 12:50:00	message	Hubbell	Lyons	"Please Call"
11/18/93 2:00:00	message	Hubbell	Cliff Sloan	"Please Call"
11/18/93 2:05:00	message	Hubbell	Kendall	"Please Call"
11/19/93 10:40:00	message	Hubbell	Kendall	"Can he be by your home tomorrow between 2 & 3 pm. [If okay, I'll call and let him know]"

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
11/30/93 2:40:00	message	Hubbell	Lyons	"Please Call. 457-6090. He said he needs to talk to you -- it's important."
12/6/93 7:55:00	message	Hubbell	O'Keefe	"Please Call"
12/6/93 9:25:00	message	Hubbell	O'Keefe	"Please Call"
12/6/93 3:10:00	message	Hubbell	Lyons	"Returned your call. If you miss him @ office, pls call @ home: 303-721-9813."
12/8/93 10:00:00	message	Hubbell	Melanne Verveer	"Please Call"
12/8/93 11:30:00	message	Hubbell	Melanne Verveer	"Returned your call. Please Call."
12/8/93 12:05:00	message	Hubbell	Marsha Scott	"Please Call"
12/15/93 12:00:00	meeting	Hubbell, Days, Altman, Samuels		"Barclay Bank"
12/15/93 5:48:00	message	Hubbell	Hanson	"Please Call"
12/16/93 9:00:00	meeting	Hubbell, SG, Hanson, et al.		Meeting w/ Hubbell, SG, Hanson, Leslie Samuels, Carol Donahoo, Malcolm Stewart, and Jeff Powell "re: Barclay Bank."
12/16/93 11:00:00	message	Hubbell	Gene Lewis	"Please Call"
12/16/93 12:20:00	message	Hubbell	Mickey Kantor	"Please Call"
12/17/93 2:00:00	meeting	Hubbell, Anthony, Stephanopoulos, et al.		meeting with above and Bruce Reed and McFadden.
2/2/94	meeting	Altman, Nussbaum, Hanson, Williams et al.		Meeting at White House to discuss Altman recusal. [Ickes and Eggleston also present].
2/24/94	testimony	Senate Banking	Altman	Altman testifies at Senate Banking Comm: says has "only one substantive contact" re Madison with WH.

<u>Date</u>	<u>Type</u>	<u>To / cc</u>	<u>From</u>	<u>Subject</u>
4/8/94				Hubbell leaves DOJ

WITHDRAWAL NOTICE

RG: 449 Independent Counsels

Starr/Ray FRC box 2293

NND PROJECT NUMBER: 37918

FOIA CASE NUMBER: 25720

WITHDRAWAL DATE: 03/18/2010

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DOCUMENT TYPE: Transcript

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SUBJECT: Grand jury testimony

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LITTLE ROCK, ARKANSAS 72211

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American Transportation Company) from the intermediate owners and asked McLarty to be a consultant. There is an unverified story that when McLarty became a consultant to Navistar, the Governor's office told all the school boards to use the Navistar buses and no others. McLarty, again, we are told, received income from the bus company reflected on his 1992 financial disclosure form.

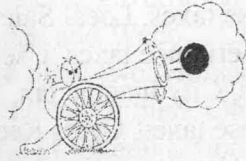
Hick -

FBI from the
lunatic fringe -

see p 6 et seq

Pls return to Misty
for filing Thx

EHTJ



LOOSE CANNON

TALK-RADIO IN PRINT *Voices from the Radical Middle*

Eds.: Cele and Don Hall

6423 Donaldson Rd., Grants Pass, OR 97526. Phone:(800)662-9607. FAX:(503)479-1038

Vol. 2, No. 7

July, 1995

OPENING SALVO

This newsletter has concentrated on several issues that are either underreported or misreported or ignored elsewhere. We try every month to keep you abreast of "Whitewater" developments and progress in the investigation of the death of Vincent Foster (see the Lest We Forget column). We keep after problems in our educational and justice systems. And we continue to fight "political correctness" with common sense, because cultural attitudes affect (or infect) legislation.

What possibly well-meaning -- but definitely wrong-headed -- legislation has done to our national life finally became clear, resulting in the success of The Contract with America. What former legislation has done is slowly being reversed by the same legislative process.

However, the result of past spending has been to create a class of people almost totally dependent on government for food, housing, medical aid, jobs, transportation, education, and other social benefits.

The transition away from this creeping socialism will be extremely difficult and possibly disruptive throughout the country. Anyone who has visited a horse breeding farm during weaning season has been affected by the plaintive cries of foals and

mothers separated from each other for the first time. Yet in order for the young to grow, they have to become independent, willing or not.

Our tax code and all the regulations that permeate our lives have created an attitude of looking to government for decisions about not only the larger aspects of national life, such as the defense of our borders, but about

instructing painters about handling lead-based paint.

Well, the tax code giveth, and the tax code can taketh away. And this newsletter wants to make it abundantly clear that we join the fight first to abolish the IRS with all its works and all its pomps. If we need to revoke the 16th amendment, so be it.

There are horror stories, and we will share them with you. There are alternatives and we will continue to share them. And we will continue to support balancing the budget by rolling back spending.

Previous governmental spending priorities have maintained that the private sector cannot be trusted. As a result we have the anomaly of

democracy at war with its only source of productivity and growth. Government must become the friend of private industry and productive people. The socialist model aided and abetted by politically incorrect compassion has persisted too long.

**HEY, HEY, HO, HO,
THE IRS HAS GOT TO GO!**

Jack Booted Government

Thugs? An elderly couple in Wasco County, OR, were vacationing out of state, when, because of a .02 error in their property tax return, they had been sent notice of a \$30.00 fine and a lien on their property. No way out but to pay the fine. The lien was lifted and they were reassured that it would not show up -- that is until they apply for credit or a loan. So who owns our property. (Story Courtesy of the new *Josephine County Courier*, July, 1955)

Lord Rees-Mogg, writing in the June issue of *Strategic Investment*, has this to say about **Sen. Dick Lugar's** consumption tax ideas: "The great merit of abolishing income tax, from an economist's point of view, is that it would abolish a tax on savings. Both the U.S. and Britain have far too low a savings rate, which is one reason why the dollar and the pound are such weak currencies. U.S. income tax is also becoming a stifling and destructive tax for everyone on middle incomes and above." Later in the article he surmises that Americans might not choose as presidential nominee "the old-fashioned type of serious Midwestern leader, who deals in the big issues in a serious way, who thinks in paragraphs rather than sound bytes" But, he concludes, Americans may also be so sick of "packaged politicians" that Lugar may have a chance.

And, for a bi-partisan conclusion, how about this from the *Washington Times* June 19-25? "President Carter was right when he stated that our income tax system is a disgrace to the human race", noted Rep. Jon Christensen (R-Nebraska).

Don't miss **Martin Gross's** new book The Tax Racket: Government Extortion from A to Z. One nuggett: "Washington has raised the gas tax three times from a measly 4 cents a gallon in 1982 to 9 cents in 1983 to 14 cents in 1984 to 18.4 cents in 1994 (a 425 percent hike). The last gas tax rise was part of Bill Clinton's supposed balancing of the budget in the never-never future."

And here is a partial list of taxes catalogued by Mr. Gross: FICA (Social Security and Medicare) tax, Income tax, extra Medicare tax, State income tax, School tax, Town or City Local Property tax, County Property tax, Personal Property tax, some 60

other Federal Excise taxes, Local Sales tax, State Sales tax, Inheritance taxes, Use taxes, Capital Gains taxes, City Income tax, Small Business tax, License taxes, Gross Receipts taxes, Cable taxes, Gas taxes, Hotel and Travel taxes, Intangible Property, or Wealth, tax, Car taxes, Boat taxes, Airline tax, Double Dividend taxes, Stock Transfer taxes, Property Transfer taxes, Parking taxes via meters and garages, Environmental taxes, Building and other Permit taxes, Bridge and Highway taxes (tolls), etc., etc.

One of his most startling chapters calls for the elimination of counties, as being superfluous, and therefore counter-productive, and, of course, unnecessary tax guzzlers..

HEY, HEY, HO, HO, THE IRS HAS GOT TO GO

RETURN FIRE

Friendly (or other) fire from readers

Monte James (OR) has sent us two interesting tapes. One is on a version of the "Refounding" idea we reported on earlier. In this effort, states would, in essence, secede briefly and then re-enter the union by adopting the pure constitution as its document of law. Ideas like this echo an increasing desire on the part of citizens to get rid of governmental burdens and return to basics.

The other is an interview with a man whose home in Oregon was seized early one morning by masked government agents. He and his wife, in their nightclothes, were handcuffed and left standing in damp grass for an hour while the property was "secured". They repeatedly asked for a warrant which was finally delivered 45 minutes into the ordeal. Agents then "searched" the place, leaving about \$10,000 in damages. Nothing relevant found. Case dropped.

Why this family? Mr. Jewett, the owner, had delivered vigorous rhetoric, via tapes, de-

nouncing government activities at Ruby Ridge and Waco. (Check with Monte) Are there two wrongs here? Has any good come out of this? On the one hand, does this kind of federal action give credibility to citizen anger? On the other, does inflammatory rhetoric, especially after Oklahoma City, indicate that federal agents have a duty to forcibly intervene, even to the extent reported by the Jewetts?

A recent letter from the Heritage Foundation continues this theme: "In 1992, the Food and Drug Administration sent more than two dozen heavily armed state and federal law enforcement agents to Washington state medical clinic, guns drawn. The crime? The physician who ran the clinic, Dr. Jonathan Wright, promoted nutrition and vitamins as alternative medical treatments."

Helen Solem (OR), sends an upgraded version of the unique Oregon 2% ~~consumption tax~~. This plan would obliterate all current taxes, including income and property taxes, and replace them with a kind of 2% (top) VAT on all financial transactions. There are exemptions regarding personal savings accounts, Social Security and other government operations. **Dick Lugar** and **Malcolm "Steve" Forbes** should take note -- of the benefits and the pitfalls of a

CONSUMPTION TAX

ON TARGET

Editorials from our readers or ourselves

Dear **Senator Specter**: We watched with great interest your committee's handling of the militia panel. We wondered how would you steer your way through the expected conspiracy nonsense to address the underlying reason for the growing awareness, if not respect for this type of group? Your task was a difficult one. On the one hand you did not want to show unqualified

approval, on the other you did not want to alienate sincere folks, however misguided in much of their thinking.



Perhaps your method of kindly, tolerant attention was appropriate. Setting aside black helicopters, etc., as extreme examples of national

paranoia, the hearings, demonstrating as they did the clash of cultures, rural/survivalist vs urban/bureaucratic, was instructive. The constantly reiterated insistence, on the part of committee members, that these are "people dressing up in soldier outfits and running around in the woods with weapons" was insulting. The suggestion that they are all violent is incorrect. That racist and other forms of hate literature are passed out at some of their meetings is true, but permitted under "free speech". We found it interesting that Aryan Nation, the Klan, and other insidious groups sometimes use the militia spotlight to gain publicity for themselves.

We were gratified that the NRA was never mentioned; militias seem uninterested in any formal organizations other than their own "unorganization".

We thought it enlightening that Senators do not seem to realize the intense horror felt by the American people toward all kinds of government in their lives. We may not "hate" our government, but we do despise and fear many aspects of its activity. As **Ross Perot** has said: "The government should be for the people. Instead, it too often comes at the people."

Most of us are not arming ourselves in the event of militant clashes with the government; all of us are horrified by what happened in Oklahoma City. But we believe in the wisdom of the Founding Fathers to approve of an "armed citizenry", capable of resisting totalitarian inroads of government.

The Weavers, Waco, and more recently the Jewetts, and many others, now stand as warning symbols of our great unease -- about truth, about taxes, about regulations, and about media distortions which enrage us beyond measure.

Thank you, Senator, for these hearings. Please listen to the rumblings throughout the populace that they revealed.

Stray Shots

Editor and/or reader comments

✓ The American people are disgusted with the media for its distortions, not only about events, and politics, but perhaps primarily for its distortions about US.

✓ Our latest adjective for the big media : "Minority" -- like their buddies in Congress!

✓ About "illegitimacy": We don't like to stigmatize out-of-wedlock children with that term. So how do we feel about calling women who bear children out of wedlock "illegitimate mothers"?

✓ Then read **Gertrude Himmelfarb's** latest, The Demoralization of Society: from Victorian Virtues to Modern Values, for her comparison of the two periods in terms of, for one, shame.

✓ As a result of poor education, are we now going to give literacy tests to jurors? On the first day of selection, 2 jurors in the Susan Smith murder trial were dismissed because they could not read or write.

DIRECT HITS

Significant media commentary

★ **Alan Reynolds**, in his article "Unbalanced Amendment" (*Reason, June*) provides a *caveat*. The current BBA allows for balance to occur through raising spending and taxes. An acceptable BBA must include a proviso that includes debt. The government must not borrow beyond the taxpayers ability to pay.

★ "A balanced budget would lower real interest rates globally. We could have massive cost reductions if federal regulations actually had to be submitted to cost/benefit analysis. Eliminating or privatizing the vast array of functions done at the federal level would lower everyone's costs and free resources for productive investment elsewhere. ~~A balanced budget~~ would lower the cost of income tax collection and give a large incentive to savings. [Emphasis ours] Privatizing Social Security would cause a huge increase in savings and lead people to work longer. Privatizing Medicare would increase savings and eliminate most of the excessive medical care costs in the U.S.

"We don't need these changes to have a boom in financial assets for the next few years, but they would make the U. S. economy and market the wonders of the world." (Editorial by Daniel Gressel, president of Teleos Asset Management, for the WSJ (6/19)

★ Quoted in the *Chicago Tribune*: "The American Medical Assoc. is rightly disturbed over the practice of doctors patenting certain surgical procedures, saying flatly that it is unethical. How can a doctor justify patenting and perhaps charging [royalties] for a procedure? Such a practice might discourage other doctors from using it to save lives." (Something of an indictment of the profession all around)

★ ☺ And from the same source: In Ft. Lauderdale, millionaire **Edward Seese** has bequeathed \$4.5 million to Broward Community College for scholarships for C students. "God bless him. So many times, it's the SAT or the ACT or the GPA that controls the distribution of scholarships. When, maybe, all that's needed is someone taking a chance on a kid and making the impossible possible

"Not to say all C students will one day finish at the top of their classes. But, like Seese

said, the scholarship-givers will find those who make the A's and B's. He looked at the vast array of C students and decided to lend a hand on the chance that there are some 'late bloomers' out there who just might need a break." (**Ross Perot** thinks along the same lines. In a recent speech to High School graduates, he focused not on the A students, who, he said, might have found school work easy, but on the students who had a hard time and who had, therefore, built character.)

★ We thought it might be interesting to give you a sample of headlines and sound bites from the *Washington Post Weekly* just to show you the train of thought endorsed by beltway liberals.

A Representative Congress

"...the effort, by fiat, to proscribe race from its central role in Southern politics -- and much beyond the South -- defies history and turns logic on its head."

America the Caricature

"Everyday America is a lot less angry and unhappy than our caricature of America. . . . we need to recognize that the rhetorical excesses, if not kept in context and offset by common civility, can poison the social climate and corrode national self-confidence."

The Democrats Dilemma "Last year, the Republicans' favorite campaign ad was to "morph" the faces of Democratic candidates into Clinton's face. This year, the DCCC has already begun morphing Republican freshmen into Gingrich."

A Tough Climb From Welfare

(It is tough but Republicans tend to emphasize how healthy rather than how hard the struggle is.)

Black Lawmakers Sound the Alarm

This article is accompanied by a cartoon depicting a black person standing at the start of a board game. The caption: Back to square one. An earlier cartoon shows black people

moving farther and farther back in the bus after recent decisions on gerrymandering, quotas and set-asides.

The King of the Hibitzers *William Bennett has carved out a special place for himself on the sidelines*

"Among Bennet's friends and foes, the suspicion persists that somewhere in the breast of this self-styled virtues conglomerate still beats the heart of a political warrior."

★ In fairness, there is a small piece under the headline **Mr. Watkins's \$30,000 Reward**. This is the David Watkins of Travelgate and helicoptergate fame. . . . The article informs us that "after he left the White House, he was put on a \$3,000 a month retainer to the Clinton-Gore campaign and was paid more than \$30,000 by the campaign. . . . A payoff for quitting? . . . This is not the first time the campaign kitty has bailed Mr. Watkins out.



He had been sued for sexual harassment by an accountant who worked on the 1992 Clinton campaign. The campaign reached a \$37,500 settlement with the woman, paid for with campaign money, under a confidential agreement under which no wrongdoing was admitted. The campaign eventually had to refund the government \$9,675. . . . There is a dreadful message in all this. It is that certain people, no matter how foolish or wong their actions, will not only be rescued after repeatedly embarrassing the president but actually get rewarded for doing so -- and, in the process have a chance to embarrass the president all over again. It makes no moral or political sense."

? WT HIG O ? ?

WHAT THE HECK IS GOING ON ?

How to Defeat Serbia: A Brief History of the Bosnian Situation

Now that the mess in Bosnia is assuming truly intransigent form, it may be time to take

a look at some background. This has never been so well delineated as in an article by **David Gompert**, VP of Rand Corp. and former Senior Director for Europe and Eurasia in **President Bush's** National Security Council. (*Foreign Affairs*, July/August, 1994)

He asserts that "American attempts in 1990 to get the Europeans to face the dangers were brushed aside: An American proposal to consult in NATO was declined, with the French accusing the United States of 'overdramatizing' the problem. Not until 1991 was the EC seized with the risks of Serbian policies and Slovenian secession."

Europeans saw Yugoslavia as a challenge to EC leadership; German Chancellor **Kohl**, and French President **Mitterand** and others wanted to show the EC's ability to act "effectively and cohesively".

This attitude resulted in the decision to meet the Balkan challenge with an EC/US response instead of with NATO. It rapidly became apparent, however, that this alliance was woefully inadequate to handle the situation. (And, of course, with so long a delay and with the escalation of hostilities we are now seeing, even the success of the entry of NATO is problematic)

"The West was divided and immobilized in the crucial period between the EC's recognition of Slovenia and Croatia in Dec., 1991, and the European-American agreement in March, 1992, that Slovenia, Croatia and Bosnia should all be recognized. Bowing to right-wing and Croat expatriate pressure, German leaders muscled their EC colleagues into recognizing Slovenia and Croatia against the better judgment of the United States, the UN and indeed most EC foreign ministries." Bonn thus contributed to hastening Bosnian secession and the resulting war which Germany, because of its constitution, would not

have to fight. As Gompert puts it, "The Germans favored standing up to the Serbs, knowing that the responsibility would fall to others."

Gompert believes that right up to the moment war started EC countries failed to see the handwriting, and the Bush administration was determined to keep America out of the coming conflict. "So the West watched Bosnia slide into unspeakable violence."

And we have watched this precedent find echoes elsewhere, especially in the former Soviet Union.

None of the alternatives to ending this was by air strikes or by concessions on the one hand, and on the other by lifting the arms embargo and thus at least temporarily escalating the conflict will be satisfactory to all parties. And hence, Gompert feels, there is no unanimous, international resolve "for the kind on decisive intervention that could produce a just settlement."

He concludes that we can reach a solution in time by waging an "economic war in perpetuity against an unrepentant Serbia" without risking American troops in defense of weak Western policies. "Unless we hand him victory now, Milosevic will lose a cold war, and real peace can then come to the Balkans."

WHITEWATER MUDDYWATER DIRTYWATER

Keeping up with developments and details
James McDougal turned up in Whitewater prosecutors' offices as scheduled to deliver samples of his handwriting. These will be compared to check endorsements and legal documents. Mr. McDougal reiterated that he will not obey a grand jury subpoena. We'll see, since he has now received notice that he is a target in the investigation.

**And the
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Strategic Investments (June) expressed misgivings about the **Starr** investigation in the wake of another resignation by a top official, **Bill Duffy**, according to 'informed sources', left because, like **Miguel Rodriguez**, he felt that Starr does not have the grit to pursue the really tough issues, such as the death of **Vincent Foster**. (See below)

However, **Gov. Tucker** has been indicted, and seems to prefer a trial to a plea. As with Mr. McDougal, we'll see. His trial (*WSJ*, 6/21) is scheduled to take place in the courtroom of **Judge Henry Woods**, such a fan of **Hillary Rodham Clinton** that he had wanted her to run for governor of Arkansas. Even though, as the *Wall* suggests, the problem of recusals is that "everyone from the Arkansas political culture comes from the Arkansas political culture", it would seem that given Judge Woods' political history of Clinton/Tucker/Stephens connections, he should gracefully bow out, as **Judge William Wilson** did with the **Web Hubbell** case.

The propriety of one third of fees charged by the **Rose Law Firm** has come under investigation by the RTC as a result of an audit ordered last March. The amount of suspect billings, according to the *WSJ* (6/21), totals as much as \$446,525.

Rep. Jim Leach has said that the audit will be examined during hearings later this summer.

The report does not mention names, but does question activities of former partners and associates. And we all know who those are.

LEST WE FORGET

Dedicated to the late Vincent Foster and others

More media "backing into the story"? Some months ago, our **Deep Throat** told us about a



possible Mossad angle in the Foster case. We kept this on hold until an appropriate time. Two things have now happened -- a media editorial recounting the "theory" and the shy but evident emergence into the mainstream of the Mena airport story of arms and drugs. (See following column)

The editorial, by *Washington Post* writer Susan Schmidt, was printed by the *San Francisco Chronicle* in vacationing Herb Caen's slot. Ms Schmidt begins "Vincent Foster, Swiss bank accounts, missing files, the Israeli Mossad, suspected murder, secret sealed indictments of the first lady."

She then quotes at some length from an Internet newsletter *Conspiracy Nation* put out by **Sherman K. Skolnick** of Chicago. According to the newsletter, Foster turned over confidential international bank data to the Israeli intelligence agency, the Mossad. This agency "apparently blackmailed" Foster by setting up a Swiss bank account in his name

with millions of dollars in marked money.

Evidently this theory gained some credibility as early as last April when *Forbes* magazine

formally queried the White House about "allegations that the Israelis put money into a Swiss bank account for Foster and that the CIA was investigating him for espionage." *Forbes* told the White House that they were prepping an article for immediate publication, but so far no story has appeared.

The editorial also references **Ambrose Evans-Pritchard** of the *London Sunday Telegraph*. He makes mention of travel records showing Foster's frequent trips to Switzerland and asks "Was Foster a U.S. agent at a time when he was ostensibly in private practice as a Little Rock lawyer?" Denials by the White House as to all of the above.

Interestingly, Ms Schmidt concludes with her preference for **Reed Irvine's** "more pedestrian" [!] thinking on the matter: "He suspects Foster was assassinated or moved to Fort Marcy Park from another suicide location."

We wondered about allegations about **Mr. Starr's** refusal to investigate "revelations" of secret foreign travel by **Mr. Foster**. According to Mr. Evans-Pritchard, for example, Foster cancelled one trip to Switerland just 12 days before his death.

A man Foster intended to meet there, claims that Foster controlled large sums of money in Swiss bank accounts. (*Strategic Investment*, June)

And in a letter to the *Washington Times Weekly* (June 19-25) **Reed Irvine**, president of *Accuracy in Media*, has this to add: "**Mr. Evans-Pritchard** has now turned up what may be the key to the Foster mystery. In a story in the May 21 *Sunday Telegraph*, he claimed that Mr. Foster made at least two secret unofficial short trips to Switzerland and canceled a third 12 days before his death. **This was**

news even to his widow. [Emphasis ours] If true, all explanations of Mr. Foster's death must be put on hold until more is known about these trips."

In the light of all this, Deep Throat asks us to question the administration's unwillingness to lift the arms embargo against the Bosnian Muslims. He also suggests that the purported sealed indictment vs. HRC may be tied in to all this, because of her relationship with Foster.

How about some letters to *Forbes* magazine editors asking when they plan to print the article?

End note: **Patsy Thomasson** testified before the Grand Jury (7/12) that she entered Foster's office the night of his death to look for a suicide note. It's bridge-selling time again!



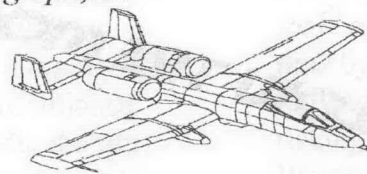
Some notes: From "The Mena Connection" tape: For years journalists in Arkansas have tried to get law enforcement to look at this small airport, the site of secret arms and drug operations during the Iran-Contra era and since. Evidence is there, witnesses and there, but time after time walls come down and the story goes no-where.

From *Compromised: Clinton, Bush and the CIA* **Terry Reed's** first-hand account of his involvement, we are introduced to **Barry Seal**, rogue agent accused of bringing drugs into Arkansas using the Contra training operation as cover.

Because of his knowledge, Reed and his family has to remain in hiding for years.

In the latest *News Reporter* (July 3) Reed reveals the content of the

lawsuit he has filed in Little Rock against four law enforcement officers who tried to put Reed and his wife into the federal penitentiary on trumped-up charges. Real reason: "We knew we had been singled out solely because we had first hand knowledge of the Mena airport operation and its subsidiary operations -- a U.S. government backed web of black operations that got way out of hand -- a web that included gun running, drug smuggling and massive scale money laundering. . . . Janis and I felt it was our duty as citizens, through this suit, to expose what we had personally witnessed. The Executive branch had absorbed the Judicial branch and together they plotted to circumvent the Legislative. . . . Who or what



is pulling the strings? This is what Janis and I naively hoped to expose by airing our own misadventures in federal court."

How will they get through all this? Subpoena power. Sworn depositions. No court date yet, but we will keep you informed.

From the *American Spectator* (May) we find reference to this civil suit "now producing testimony that will explain Clinton's pale condition upon hearing Mena mentioned. . . The suit alleges that a conspiracy was

designed to discredit Reed's allegations that drugs were being sent back to the U.S. with the knowledge and co-operation of the government. The suit does not involve Clinton or Bush, but rather the following: **Raymond "Buddy" Young, Tommy L. Baker, Donald Sanders, David Doe, Robert Doe, and others.**

The *Spectator* became interested in the suit because one of the deposed troopers, **Larry Patterson**, had already testified to the *Spectator* that Young had threatened him on three occasions about revealing what he knew about Clinton's hearing troopers discussing "large quantities of drugs being flown into Mena airport, large quantities of money, large quantities of guns, that there was an ongoing operation training foreign people in that area." Young's threat: "If you know what's good for you, if you know what's good for your family, you will keep your mouth shut."

After the election, Young was made FEMA Director in Tx. Another threat to Patterson followed.

Another deposition, by **Bill Duncan**, a former IRS investigator, Criminal Intelligence Division, and later a special investigator for the House subcommittee on crime, confirms Reed's outline of what happened at Mena. But most sinister is that when he returned to



Arkansas, the new Attorney General hired him to continue his investigation of Mena. After he had compiled nearly 7,000 documents in his computer, someone broke his top secret access code, and he is afraid some documents have been compromised. Duncan ended his investigation in 1992.

And the *WSJ* added its voice (4/7) in the lead editorial. The week before, **Russell Welch**, Arkansas State Police Investigator, and partner with Duncan in digging into Mena, was suddenly recalled to Little Rock.

Why? The State Police Commission had determined that he was not paying adequate attention to paperwork, and needed more supervision. Until he went public with information on Mena, his job ratings had always been above average. After public prosecutor, **Charles Black**, defended Welch, he was transferred to Texarkana, TX.

The editor then suggests that **Linda Ives** should be consulted regarding the Mena cover-up. "In 1987, Mrs. Ives's teenage son Kevin and his friend Don Henry were murdered by the railroad tracks south of Little Rock." She has worked long and hard to prove that their deaths were linked to conversations they had heard about drugs and Mena.

According to **Larry Nichols** in the tape, "The Clinton Chronicles", these deaths (the murdered bodies were placed on train tracks) were first listed as accidental by State Medical Examiner, **Fahmy Malak**, but the circumstances quite clearly indicated otherwise and the verdict was overturned in favor of murder. In addition, six police informants in the boys's murder investigation were themselves killed. Nichols tells us that along the way Clinton said Malek was overworked and underpaid and gave him a \$14,000 raise.



POLITICAL UPDATE
INTERNATIONAL NOTES

Mexico. Because a huge amount of short-term debt comes due this summer, and because instead of rolling over this debt, investors seem to be heading south, we may see some chaotic events there. Will we hear about it?? Probably no more than we heard about the death threats, payoffs, closed polling places, etc., that attended the recent elections in **Haiti**.

Colombia. *La Nacion*, of Buenos Aires rejoices in the arrest of **Gilberto Rodriguez Orejuela**, one of the world's most sought-after drug lords. The newspaper feels that the Colombian president, **Ernesto Samper**, is vindicated as a drug fighter, and that relations with the U.S. will be improved. The article ends with a plea for international support. (We thank **Mary Isabelle Caestecker** of Chicago for this and other information reprinted in the *Chicago Tribune*.)

The *Washington Times Weekly* (June 19-25) has a somewhat different spin, indicating that it was **Sen. Jesse Helms'** threat of economic sanctions if lax drug enforcement continued that drove Colombia to take action.

Iraq. What is happening to our two hostages? What are we doing about this?

China. What is being done to extricate **Mr. Wu?**

BULLET-IN BOARD

July 18. Beginning of new and improved Whitewater, etc., hearings.

Aug. 11-13. UWSA meeting to hear from party VIPs and candidates for President. They will also work on their position regarding the formation of a third party. Our guess: They will give the Republicans more time to finish what they have started.

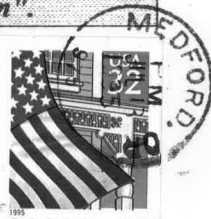
Waco hearings have begun at last. No news yet, except that militia members are not testifying in this go-around.

Speaker **Newt Gingrich's** long-awaited book, *To Renew America* is out. It is a source of long meditation on the meaning of our lives as Americans. We will be quoting from it frequently in months to come. Let it suffice now to thank the Speaker for this great gift, for which he continues to pay a bizarre price.

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TO: Mr. Ambrose Evans-Prichard
FAX: 202 - 393 - 1335
FROM: Hugh Sprunt
SUBJECT: • 1) Vince Foster's Arkansas Driver's License -- A Curiosity
2) 681 CBR - More On Real Estate Taxes, & 3) Miscellaneous
PAGES SENT: Three [Including This Cover Sheet]
TIME SENT: Tuesday, June 7, 1995; 9:15 AM CDT +/-

COMMENTS: The last page of this fax has two copies of the AR DL that was in VWF's wallet at FMP -- one copy from the USPP Report Folders and the other from the Hearings Volumes. The date of birth and physical characteristics agree with information from other sources, but the driver's license number is a curious one. It is clearly 900-64-2096 [both photocopies show the first 5 digits to be darker than the last four -- I cannot think why that would be the case, and do not know if it is significant].

I have done some preliminary checking and have been told that the AR license number is the individual's Social Security Number. I have not been able to confirm VWF's SSN from other sources. I have been told that use of the SSN is mandatory (that is, one cannot provide one's true SSN to AR and be given a different driver's license number, say if one objects to the use of one's SSN on the DL), but I am checking other sources re this point for driver's licenses issued in January 1991 (VWF's was issued 1/8/91 - a week before his January 15 [birthday] expiration date). What makes his AR DL number curious if, in fact it is his SSN?

The first three digits of an SSN constitute the so-called "Area Number." The three-digit "Area Number" designates in what state the SSN holder lived when the SSN was issued. The Area Numbers for AR range from 429 through 432. For North Carolina (VWF attended Davidson College in NC) the Area Numbers are 237-246. For Tennessee (VWF attended Vanderbilt Law School for a while), the Area Numbers are 408-415. Oh, by the way, No Area Numbers between and including 900-999 have EVER been issued by the Social Security Administration. This comment about VWF's DL Number was (as far as I know) originated by me on June 4 and put onto an Internet newsgroup on June 5.

Assuming that use of the SSN was mandatory for an AR DL issued in January 1991, I would be tempted to say that, in the case of politically well-connected persons in AR, a 900 was substituted for the first three digits of the "normal" DL number (SSN). Use of 900 would ensure that no confusion with true SSNs. The "status" of the person in question could thus be conveyed silently to any AR law enforcement type that examined an AR DL for whatever purpose (traffic stop, ID issues, etc.). In this way the person stopped could convey silently and privately his status to the law enforcement person, perhaps turning a speeding ticket into a warning, perhaps avoiding a DUI citation, etc., etc.

This is merely a guess, but a guess that coincides nicely with the AR political culture! Use of "900" on the DL is similar to the old Fulton County "FC" license plate technique in NYC that politically-connected types used for many years to park in the "Diplomat (DPL) or Foreign Consul (FC) Only" parking places in NY. The placement of the "FC" on the plate told the cops that the plate was not a true Foreign Consul plate, but the man-on-the-street didn't know the difference and therefore didn't complain when the car was not ticketed or towed]. I thought you might be interested in this particular VWF issue since you have covered VWF's foreign travels at special "governmental" air fare rates.

The second issue concerns the property tax assessment on the home at 681 CBR that we have discussed in the past. Clay Fortney of the Fairfax County tax assessor's office is the man assigned to cover the part of the county containing 681 CBR. He has driven by the house (I sent him an aerial photo of it so there would be no question about its location) and has confirmed to me that the house itself is assessed on the tax rolls at \$5,000 (even though the house appears to be worth 30-50 times that amount and Fairfax County assesses at FMV). The home is on lot 39 (see Map VI I sent you) and the land is separately assessed at \$200,000 (about an acre). Mr. Fortney is checking the historical records to see if he can determine why the \$5,000 assessment exists and will be getting back to me in a day or so.. I am still curious whether the old dilapidated shack (the "old cabin" on Map VI) on lot 38 (same owner as lot 39) was somehow switched in the records from Lot 39 to Lot 38 and valued at \$5,000, but the records show the old shack on Lot 38, and valued at \$-0-.

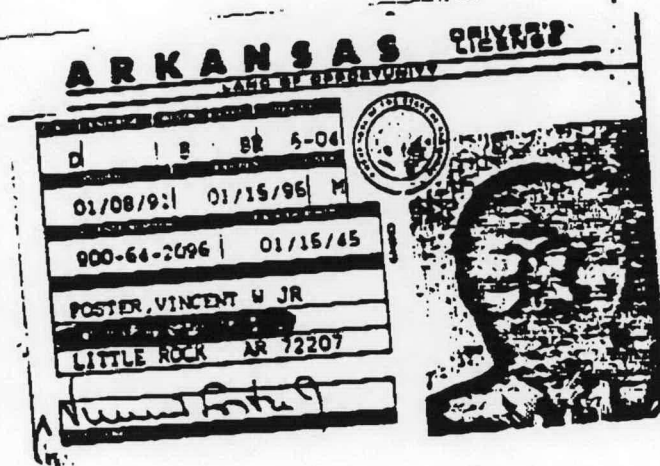
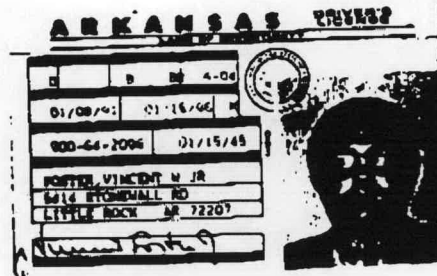
Miscellaneous Points [I have a lot more material like this -- most of it should be familiar to you, but maybe not]. Did you know that VWF joined the New Jersey National Guard in 1968 after dropping out of Vanderbilt (Tennessee) Law School? Apparently this was shortly after he married Lisa Braden on April 20, 1968. I am not aware that VWF ever lived in NJ or of any VWF NJ connection (Lisa's sister lives in Memphis). [VWF would have given up his II-S draft status when he graduated from Davidson College (North Carolina) in June of 1967].

He re-entered law school (lost one semester) at the University of AR and graduated in January 1971 at the top of his class and later received the highest score that year on the AR bar exam (normal law school graduation date would have been June 1970 had there been no break). He made partner at the Rose Law Firm after two years. This is an amazing feat (particularly given the 1970-1971 US recession), even for the politically well-connected (as VWF's dad was via his real estate operations). Although there is likely exactly zero connection with his death, VWF [at 3027 Cambridge Place, NW, in Georgetown] lived next door to a US Senator (Heflin or Shelby from Alabama, I believe -- don't have that info in front of me right now).

I would also direct your attention to what Linda Tripp (she and Betsy Pond were Nussbaum's secretaries in the WH OLC) referred to as an "unusual event" for VWF the day before he died.: A long (one- to two-hour, per Tripp) closed-door meeting in VWF's office between VWF and Marsha Scott (one of the "core" AR people -- she first met VWF in 1967). The "core" AR people went to dinner together every Tuesday night (VWF died on a Tuesday). VWF attended a number of these Tuesday evening dinners, but had quit going some weeks before his death. The FBI interview with Tripp describing VWF's meeting with Marsha Scott ends with three blank (redacted) pages. I refer you to the two FBI interviews with Marsha Scott. Two pages are redacted, but what is left makes interesting reading (I think!) if you have a nose for news. It was obvious the FBI felt she was non-responsive in her first interview. Scott was "Deputy Assistant to the President and Director of Presidential Correspondence."

I hope you find some of the material in this fax of note and look forward to hearing from you if you think any follow-up with me is necessary. *If you would like, I can fax you a ten-page memo that covers the points in this fax as well as a number of others. Please advise if you would like me to send that material to you as well. I plan to be in DC on Foster-related matters between June 14 and June 19.*

Warm regards and good hunting, FOIA # none (URTS 16370) DocId: 70105774 Page 144
Hugh Sprunt P.S. Hope you enjoyed your vacation.



06/08/95 22:24 FAX

002

FYI--The following is a nationwide direct mail letter from the Rev. Jerry Falwell. Falwell is calling for Congressional hearings into Foster's death. The letter implies that after 11 months in office, Independent Counsel Kenneth Starr has yet to conduct a full grand jury and homicide investigation.

THE DEATH OF VINCE FOSTER WHAT REALLY HAPPENED?

Dear Friend,

If you were shocked, as I was, by last year's explosive video exposés, "The Clinton Chronicles," and "Bill and Hillary Clinton's Circle of Power," you will be horrified when you view the brand new video --

THE DEATH OF VINCE FOSTER: WHAT REALLY HAPPENED?

This hot new one hour video exposé raises blistering questions about the events surrounding the death of Mr. Foster.

Was Foster's death suicide ... or something much more sinister?

Why did Foster's death at Fort Marcy Park appear to have been "staged" according to many experts?

Was there a White House "cover up?"

Enough doubts exist ... and many, many questions remain unanswered. The American people deserve to know the truth.

Did you know these facts about Foster's death?

Evidence suggests Foster's body was found in a different location from the official report.

The alleged suicide gun, found in Foster's hand, did not have his fingerprints on it.

Crime scene photographs were taken -- but "accidentally" destroyed.

Foster had supposedly walked 200 yards down a dirt path, but had not a trace of soil on his shoes.

This new video brings these and many other facts to light, exposing what has been suspected by many ...

06/08/95 22:24 FAX

003

-2-

... THE EVIDENCE JUST DOESN'T ADD UP!

Vince Foster was the highest ranking public official to die under mysterious circumstances ... since President John Kennedy.

I believe it is high time for Congress to launch a probe into the strange events surrounding the death of Mr. Foster.

The U.S. Senate recently voted 96-3 to begin hearings on Bill and Hillary Clinton's Whitewater affair in July.

Any comprehensive hearings on Whitewater should also include an investigation into the death of Vince Foster.

Once you see this video you will certainly agree!

That is why I have enclosed an official CITIZEN INQUIRY directed to Senate Majority Leader Robert Dole.

I am asking you to sign and return this CITIZEN INQUIRY as soon as possible. I want to present thousands of these CITIZEN INQUIRY petitions to Sen. Dole before the hearings get underway.

Open Congressional hearings may be the only key to America knowing the truth behind Foster's death -- which many say could have been related to Whitewater.

Last year's Democratically-controlled hearings only broke the surface on Whitewater.

At about the same time, "THE CLINTON CHRONICLES" was receiving both acclaim and criticism nationwide. We helped to distribute literally tens of thousands of these videos across the nation -- informing and activating citizens.

It literally shook the nation and the White House.

I was roundly criticized by the media -- and even the President himself -- for distributing this video exposé detailing the questionable events surrounding Mr. Clinton's swift rise to political power.

But I sincerely believed it was the right thing to do.

It was a useful tool in getting the attention of the American public. I believe "THE DEATH OF VINCE FOSTER: WHAT REALLY HAPPENED?" will do the same now.

It is time for rough questions to be asked about the death of Bill Clinton's childhood friend and Hillary Clinton's former law partner, Vincent Foster.

06/08/95 22:24 FAX

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-3-

I believe once you see this hard-hitting video you will agree -- and join me in demanding Congress launch a no-holds barred investigation.

Because doubts exist ... and questions remain unanswered!

If you saw THE CLINTON CHRONICLES, you will want to have this video immediately -- I promise it will have you on the edge of your seat for the full 60 minutes.

You will learn the astounding facts surrounding Foster's untimely and mysterious death. For example, did you realize:

Just 24 hours BEFORE Foster's body was found in a lonely Civil War park, Bill Clinton FIRED FBI director William Sessions -- an act that Sessions would later say seriously "compromised" the investigation.

High-ranking members of the White House, including Hillary Clinton's chief of staff and the top White House counsel RANSACKED Foster's office only hours after his death.

The Administration turned over the investigation to the U.S. Park Police -- INSTEAD of the more experienced and much better equipped FBI.

Apparently an incredible series of unprofessional... unethical ... inefficient and plain sloppy events took place -- beginning literally minutes and hours after Foster's death.

Vince Foster was the life-long friend of Bill Clinton. He held the prestigious position of Deputy White House Counselor, and was a former partner with Hillary Clinton in the Little Rock, Arkansas Rose Law Firm.

Reportedly, many who knew Foster thought he would be the last person to attempt suicide. His family and staff reported no indication of severe depression that would lead to suicide.

Yet, that was the quick "official" explanation given by the White House and eagerly lapped up by the liberal national media.

BUT IT DOES NOT ANSWER THESE UNANSWERED QUESTIONS?

- ** Why do independent criminal investigative experts say very few facts suggest any possibility of suicide?
- ** Why was evidence taken before routine forensic tests could be conducted?

06/08/95 22:24 FAX

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-4-

- ** Why was the bullet that killed Foster never found?
- ** Was a second crime scene "fraudulently created," complete with "phony blood stains" the night of Foster's death?
- ** Why did Vince Foster have to die? Did he possibly know something so volatile that it resulted in his death?

IT IS TIME THE AMERICAN PEOPLE KNEW THE TRUTH!

Will you help me demand a Congressional accounting by signing and returning your enclosed CITIZEN INQUIRY?

I want to present your INQUIRY along with tens of thousands of others to Senator Dole -- demanding a thorough investigation.

And when you return your signed CITIZEN INQUIRY, please send a generous gift to help the vital work of Liberty Alliance.

If you can send a gift of \$38 or more, I will send you your own copy of "THE DEATH OF VINCE FOSTER: WHAT REALLY HAPPENED?"

Then you can see the evidence for yourself.

Your contributions are the only way for us to continue to alert and educate Americans on critical issues like this one.

Your signed CITIZEN INQUIRY and gift of \$38 is desperately needed to get the Congress moving on this issue.

Please let me hear from you.

Sincerely,

Jerry Falwell
Jerry Falwell

P.S. THE DEATH OF VINCE FOSTER: WHAT REALLY HAPPENED?

To receive your copy of this powerful, revealing VHS videotape, please return your signed CITIZEN INQUIRY and a gift of \$38 or more today. (If you cannot afford to send \$38 for the video, please try to send at least \$15 or \$25 to help us with this vital truth campaign.)

We must make sure Congress does not shirk its duty to fully investigate this tragedy. Your petition will help.

P.P.S. If you see just ONE video this year, you MUST see "THE DEATH OF VINCE FOSTER: WHAT REALLY HAPPENED?" Order your copy now by enclosing a gift of \$38 to Liberty Alliance today.

CITIZEN INQUIRY REPLY FORM

YES, JERRY! I agree. It is high time questions about the death of Vince Foster were answered. Enclosed is my completed **CITIZEN INQUIRY FORM** below for delivery to Senator Bob Dole.

I have enclosed a gift of \$38 or more to Liberty Alliance. Send me the explosive one hour video expose: **THE DEATH OF VINCE FOSTER: WHAT REALLY HAPPENED?**

HSEDA

Enclosed is my gift

\$38 \$ _____ Other

If you prefer to charge \$38 to your credit card, please provide the following information:

VISA MasterCard Discover
Credit Card #: _____
Exp date: _____

DO NOT DETACH - Return this entire sheet of paper to Liberty Alliance, P.O. Box 190, Forest, VA 24551

CITIZEN INQUIRY

To: Senate Majority Leader Robert Dole

Dear Senator Dole,

In light of the the Senate's decision to open new hearings this summer on the Clinton Whitewater affair, I respectfully request that a full-fledged investigation also be conducted on the mysterious death of White House Counsel Vincent Foster.

MANY UNANSWERED AND BAFFLING QUESTIONS SURROUND MR. FOSTER'S DEATH INCLUDING:

- WHY DID MR. FOSTER SUPPOSEDLY WALK 200 YARDS DOWN A DIRT PATH, YET HAVE NO TRACE OF SOIL ON HIS SHOES?
- WHY WAS THE FBI KEPT OUT OF THE INVESTIGATION UNTIL CRUCIAL EVIDENCE HAD BEEN RECOVERED BY THE CLINTON ADMINISTRATION?
- WHY WERE CRIME SCENE PHOTOGRAPHS ACCIDENTLY DESTROYED?
- WHY WERE MR. FOSTER'S FINGERPRINTS NOT ON THE GUN HE ALLEGEDLY KILLED HIMSELF WITH?
- WAS THE SCENE OF MR. FOSTER'S DEATH STAGED? IF SO, BY WHOM?

Vince Foster was the highest ranking federal official to die under mysterious circumstances since President John F. Kennedy. It is high time the truth be known!

Signed _____
City/State _____

New revelations may provide key to the puzzle of Vincent Foster's death

Watergate would have died a quiet death had it not been for the persistence of Bob Woodward and Carl Bernstein, who had the support of a few editors who sensed that they might be on to something big and who were willing to pursue a story that their peers derided. Not intimidated by the consensus of the pack, their paper brought down a president and won a Pulitzer.

The consensus of the pack today is that there is nothing to the evidence that the death of Vincent Foster involves a scandal that could dwarf Watergate. Only two reporters, Chris Ruddy of the Pittsburgh Tribune Review and Ambrose Evans-Pritchard of the London Sunday Telegraph, are doing the kind of investigative reporting that Mr. Woodward and Mr. Bernstein did on Watergate. They have exposed serious flaws in the investigations conducted by the Park Police and the FBI, but their findings are ignored by the journalistic pack.

Why? Dean Baquet, an investigative reporter for the New York Times, told me that while some very good questions have been raised about Mr. Foster's death, the New York Times would not try to find the answers because he believed they would just turn up more unanswered questions. That is a terrible excuse, but it is better than the non-answers we have had from others, including The Washington Post and The Washington Times.

Accuracy in Media is challenging those papers to tell their readers the facts about Mr. Foster's death by paying them to run full-page ads in which we charge 1) that the police jumped to the conclusion that Mr. Foster committed suicide before they had done any investigation, 2) that the forensic evidence was overwhelmingly against the finding that he shot himself on the spot where his body was found, 3) that the official reports ignored or misrepresented evidence that cast serious doubt on conclusions prematurely reached and 4) that Kenneth Starr's investigation appears to have been derailed.

Mr. Starr, who succeeded Robert Fiske as independent counsel, reopened the investigation of Mr. Foster's death. He assigned Miquel Rodriguez, a hard-driving assistant U.S. attorney, to handle the grand jury probe. Mr. Ruddy has reported that Mr. Rodriguez was doing what Mr. Fiske should have done until his politically active Democratic superior, Mark Tbuhey IV, began putting obstacles in his way. Mr. Rodriguez, not wishing to be part of another cover-up, resigned, and the investigation's course was altered.

This reminded some of President Nixon's effort to derail the Watergate investigation by firing special counsel Archibald Cox, but it didn't excite any interest on the part of the media, including The Washington Times.

A serious weakness in Mr. Fiske's report was the flimsiness of its reason for Mr. Foster's alleged suicide

— his being upset by three critical Wall Street Journal editorials and by the White House travel office mini-scandal. A week after Mr. Foster's death, White House press secretary Dee Dee Myers said she would "never intimate" that he would kill himself over such trivial matters. But finding nothing better, Mr. Fiske made these the official explanations.

Mr. Evans-Pritchard has now turned up what may be the key to the Foster mystery. In a story in the May 21 Sunday Telegraph, he claimed that Mr. Foster made at least two secret unofficial short trips to Switzerland and canceled a third 12 days before his death. This was news even to his widow. If true, all explanations of Mr. Foster's death must be put on hold until more is known about these trips.

The papers spirited out of Mr. Foster's office may contain the answers. Those who took custody of those papers must tell what they know to the grand jury. Mr. Foster's credit card and travel records should be subjected to scrutiny as thorough as that given the records of the late William J. Casey when charges that Mr. Casey traveled to Europe in July 1980 to block the release of the American hostages held by Iran were reported by the media in 1991.

REED IRVINE
Chairman
Accuracy in Media Inc.
Washington

06/07/95 21:52 FAX

002

New revelations may provide key to the puzzle of Vincent Foster's death

Watergate would have died a quiet death had it not been for the persistence of Bob Woodward and Carl Bernstein, who had the support of a few editors who sensed that they might be on to something big and who were willing to pursue a story that their peers derided. Not intimidated by the consensus of the pack, their paper brought down a president and won a Pulitzer.

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REED IRVING
Chairman
Accuracy in Media Inc.
Washington

We welcome your opinions on any topic. Letters should be signed originals. Every letter will be considered for publication, but we prefer those of fewer than 250 words, typed double-spaced. All letters may be edited for clarity and length. Please include your name, address and daytime telephone number. Send your opinion to:

Letters to the Editor
The Washington Times
3600 New York Ave. NE
Washington, D.C. 20002

JUN- 7-95 WED 11:38

P. 02

Letter to the editor, The Washington Times, June 7, 1995

HICKMAN EWING, JR.
ATTORNEY AT LAW
2124 S. GERMANTOWN RD.
GERMANTOWN, TN 38138

Phone: 901-755-2597

Facsimile: 901-755-7609

FACSIMILE TRANSMISSION COVER SHEET

TO: Hickman Ewing
Little Rock OIC

DATE: 6-27-95

FAX#: 501-221-8707

FROM: Emily

FAX #: 901-755-7609

RE: 6-25-95 Commercial Appeal article re: Judge Woods

Total number of pages transmitted (including this page): 2

Message: 159 AIM postcards received in Monday's (6-26) mail.

Judge

...fishing expeditions. Lawyers can't come into his court and fish around and explore dark alleys. He doesn't brook a lot of delays. He cuts lawyers short; he just kind of shuts them up."

Woods has said he doesn't think a case exists that can't be tried in five to seven days.

But above all, the people who know Woods personally and professionally, who have argued before him and practiced with him, label him unwaveringly fair.

"He's a fine judge," said Chuck Banks, former U.S. attorney and a Republican. "He's decisive; he cuts through the chaff and gets to the issue. He's fair and compassionate."

Former governor Sid McMath said his friend since childhood was eminently qualified to handle what is expected to be a high-profile, politically charged courtroom battle.

"He's an excellent judge, and one of the reasons is because he was a great trial lawyer," said McMath, a former law partner. "It always helps if a judge has been in a courtroom and has listened for the jury's knock on the door and left a little blood on the courtroom floor. He's a straight-down-the-middle judge — he'll do what's right."

Woods's court got the highest profile-to-date Whitewater case last Thursday when Tucker entered his plea of not guilty to the three-count felony indictment against him.

Tucker and a former law partner, William Marks, were accused in a 38-page indictment of loan fraud, filing a bogus bankruptcy and concealing from the IRS the true size of the capital gain from the sale of a television system. Tucker's personal lawyer, John Haley, was named in one count dealing with the tax question. The alleged offenses occurred in the 1980s, while Tucker was out of public office.

Like most things stemming from the Whitewater investiga-

tion, Woods's random selection for the Tucker trial already has drawn controversy.

In an editorial last week, The Wall Street Journal called on Woods to step aside, citing his friendship with Hillary Clinton.

Woods once prevailed on Mrs. Clinton to advise a citizens' committee the judge had convened to review school desegregation options, and the judge is close enough to the Clintons to have spent the night in the White House.

The charges against Tucker and his co-defendants have no direct connection to the Clintons or to Madison Guaranty Savings and Loan, its president James McDougal and their joint Whitewater vacation retreat investment. They do involve a loan from a company managed by former municipal judge David Hale, who has pleaded guilty to defrauding the Small Business Administration and who has blamed Clinton and Tucker with pressuring him to make the fraudulent loans.

It is not Woods's first brush with controversy.

He was a subject of a grand jury investigation of an alleged coverup of improper purchases by the Arkansas Highway Department in 1949.

Woods, who was governor McMath's assistant at the time, never was charged, but a Little Rock newspaper resurrected the allegations in 1979. Its publisher testified before the Senate Judiciary Committee claiming Woods's record was tainted, but the allegations did nothing to derail Woods's confirmation as a federal judge.

A native of Abbeville, Miss., Woods moved to Hot Springs at age 11 and struck up a friendship with McMath in high school. He was smitten by politics as an undergraduate at the University of Arkansas in Fayetteville where he managed McMath's campaign for student body president.

He went on to become state president of the Young Democrats, managed McMath's campaigns for governor and served as his executive assistant.

He put aside politics and a lucrative practice as a plaintiff's lawyer when President Carter nominated him in 1979 for the federal bench. Bill Clinton attended the March 14, 1980, swearing-in.

But before politics, law practice and the bench, Woods spent his first five years out of school as a special agent for the FBI.

"There is no organization that better trains a person to develop facts," Woods said in a 1980 interview. He still maintains FBI ties and attended a 1994 Christmas party for active and retired agents. He noted to friends the annual party was the biggest ever to accommodate the unusually large number of agents in town assigned to the Whitewater case.

He is considered a law-and-order conservative, a strong proponent of the death penalty whose lunchtime arguments on the issue with the late financier W. R. 'Witt' Stephens were legendary.

But most Arkansans know Woods as a social liberal, particularly on race issues. In 1957, he led a citizens' movement against the segregation efforts of then-governor Orval Faubus. The governor had stacked the Little Rock School Board to close the city's high schools in defiance of the U.S. Supreme Court's order to desegregate "with all deliberate speed."

Woods's group managed to recall three school board members and regain local control of the

city's schools. He once called that effort by his group STOP — Stop This Outrageous Purge — the turning point in the anti-Faubus movement. It was also the beginning of Woods's role in bringing racial equity and harmony to Little Rock schools — a job that spanned five decades.

The night before President Dwight Eisenhower sent federal troops to Little Rock, Woods had gathered at his home the superintendent of schools, the local congressman who was in contact with the White House, the executive editor of the pro-integration Arkansas Gazette and a lawyer representing local NAACP activists. They planned the logistics for getting nine black students enrolled at Central High and dealing with the enraged mob that action was expected to ignite.

Twenty-three years later, Woods was a federal judge assigned to preside over a lawsuit filed by the Little Rock School District seeking compensation from the state and the county's other two districts for the decades of policies and actions that had aided and abetted white flight from Little Rock schools.

Black parents intervened, as did a group of teachers. The legal fight is still raging, despite a 1990 settlement that then-governor Clinton helped negotiate.

Woods presided over the case for 10 years, and drew the wrath of many in the community for his solution to the problem — consolidating Pulaski County's

three school district major litigants in the one time or another, Woods disqualify him.

He stuck with it 1990. After the 8th Circuit Court of Appeals consolidation order, he had done all he turned the case over judge.

Even though the districts and the state case — with the state pay hundreds of mill

White praise

By Joan
The Comme
Little Roc

LITTLE ROCK judge who will what is expected Whitewater to Woods, a 77-chomper with the black eyebrows cartoonists love.

His random se job is good news for the defense a tion.

For Gov. Jim G faces criminal ming from a 198; the good news is low Democrat w/ tation was besmi by accusations of

For Whitewat Kenneth Starr, th Woods is no push The judge, co

ls. All the e battle, at asked that self. until July J.S. Circuit ejected his Woods said could and to another school dis- settled the agreeing to ions of dol- lars to compensate the schools for 1957 and other segregationist policies — the Little Rock schools are still being overseen by Woods's successor, Judge Susan Webber Wright.

Courtroom observers said the seemingly never-ending school case seemed to grate on his nerves, running contrary to his penchant to keep his docket clear.

They said it was a rare instance where Henry Woods gave up.

sewer judge gets reputation as tough, fair

I. Duffy
Special Appeal
Desk Bureau

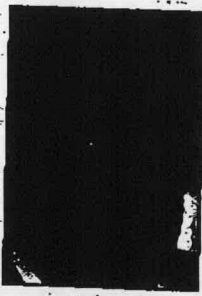
— The federal court will preside over the first trial to be the first trial is Henry Woods, a 70-year-old cigar-smoking kind of bushy-haired editor that editorial

selection for the good and bad news and the prosecu-

tor Guy Tucker, who charges stem-leaf business deal, Woods is a fellow whose own repu- tation was ruined years ago for wrongdoing. The prosecutor's good news is that the case is over on crime. He considered the

toughest on crime in the Eastern District of Arkansas, is a former FBI agent who still attends get-togethers for current and former G-men.

There's even good news for spectators who don't want the Aug. 30 trial going on forever: Woods is known for conducting speedy trials.



Henry Woods

"This won't be an O. J. trial," said Ernest Dumas, a University of Central Arkansas journalism professor and onetime reporter and editor for the Arkansas Gazette.

"Judge Woods doesn't like long trials and he doesn't allow

Please see **JUDGE**, Page **A10**

How the O.J. Simpson trial could change the law • Experts list their best advice for top performance

JOURNAL

THE LAWYER'S MAGAZINE / JUNE 1995 / \$7.00

BODY OF EVIDENCE

Why the long-ignored shortcomings of coroners and medical examiners are crimes that need to be solved

*****CAR-RT SORT**C027
DB 84312400 J0ZC
BGD
KENNETH WINSTON STARR
KIRKLAND & ELLIS
655 15TH ST NW
WASHINGTON DC 20005-5701

BODY OF EVIDENCE

When coroners and medical examiners fail to distinguish accidents from murders from suicides, a botched autopsy can be the death of a fair trial, an insurance settlement or a civil suit

B Y M A R K H A N S E N

When the bloody and partially clothed body of Susan Negersmith was found in a Wildwood, N.J., alley in May 1990, her death was ruled an accident, caused by a lethal combination of alcohol poisoning and hypothermia.

More than three years later, police reclassified the death of the 20-year-old vacationing college student from upstate New York as a homicide, after an outside expert hired to review the original autopsy findings concluded that Negersmith had been raped and strangled.

To this day, though, Negersmith's death certificate lists her death as an accident, despite an ongoing police search for her killer. Last year her family, which has waged a five-year battle to amend

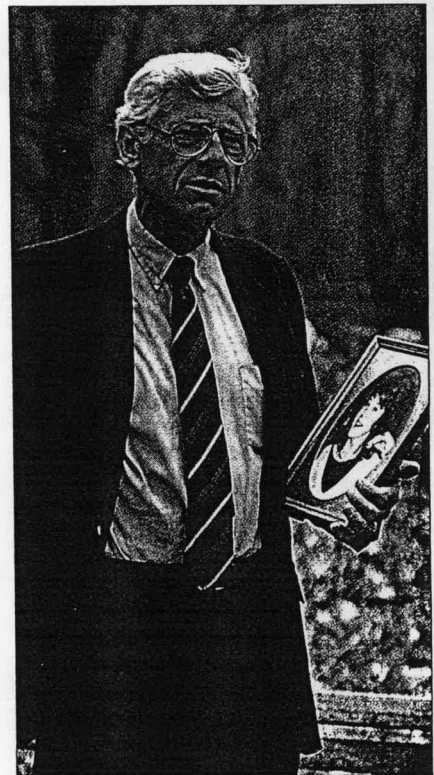
Mark Hansen is a reporter with the ABA Journal.

her death certificate, sued state and county officials in a last-ditch attempt to force them to change it to murder. The suit is still awaiting trial.

Kent Negersmith, the victim's father, says he is not in it for money. He only wants to help prosecutors in the event his daughter's killer is caught. They have told him it would be a lot harder to prove his daughter was murdered if her death certificate records her death as an accident.

"I don't know about anybody or anyplace else," he says, "but the way this thing has been handled stinks to rotten heaven."

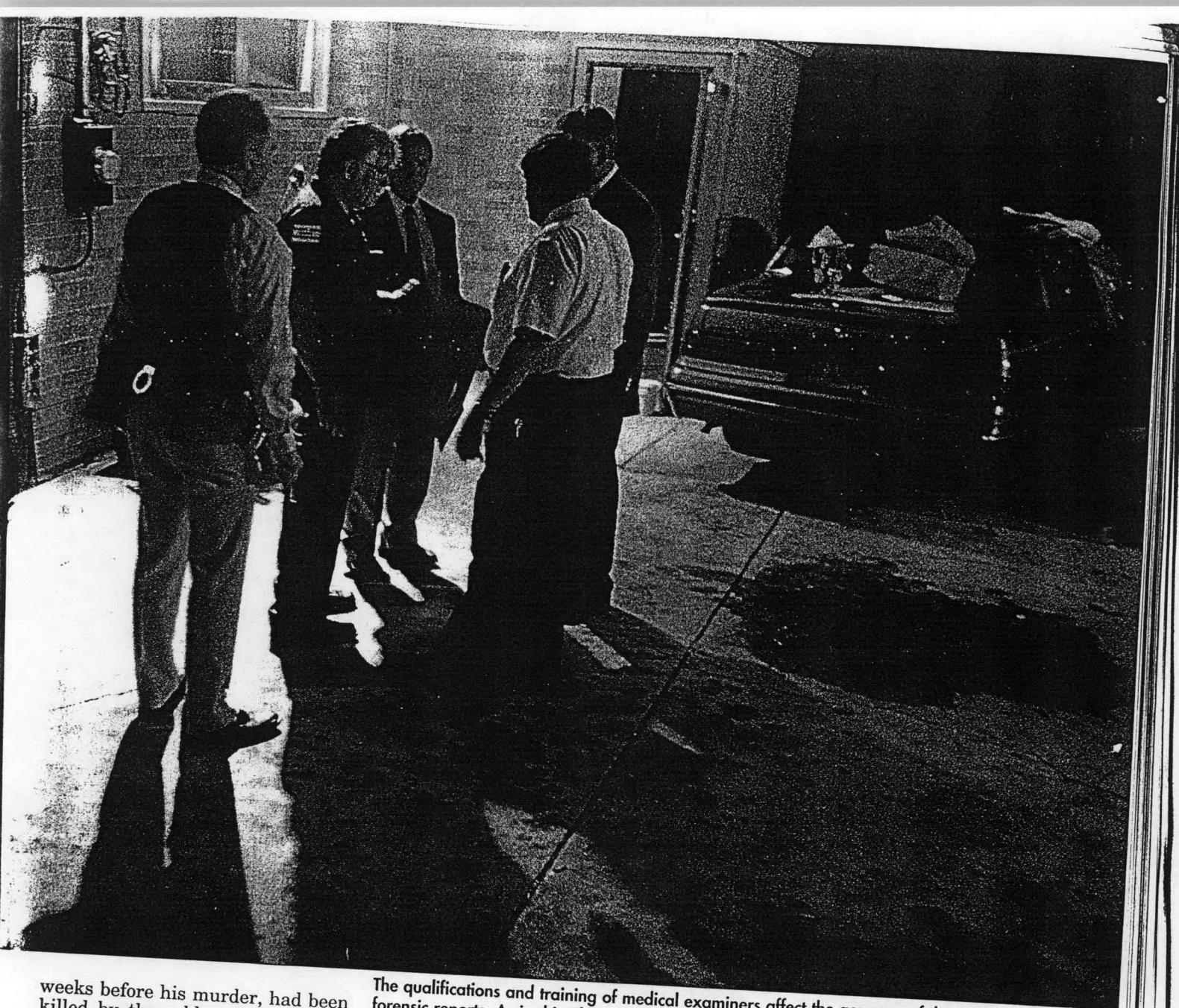
At least when Philip Mancini was found dead in his bed one morning in October 1993, Dr. Lawrence Mapow, the former Cumberland County, N.J., medical examiner who conducted the autopsy, got the manner of death right.



While police search for the killer of Kent Negersmith's daughter (photo), he fights to change her "accidental death" ruling.

Mapow ruled that Mancini, a popular high school teacher, had been murdered.

It was on the cause of death that Mapow went astray. Mapow concluded that Mancini, who reportedly had received death threats from three of his students in the



The qualifications and training of medical examiners affect the accuracy of their forensic reports. As in this Chicago double homicide, much rests on their expertise.

weeks before his murder, had been killed by three blows to the head with a blunt instrument.

Yet a second autopsy performed just hours before a scheduled cremation turned up no evidence of a beating. Instead, it uncovered two small-caliber bullets—one lodged in the base of the skull, the other buried in the folds of the brain—and led police to suspect that a family member may have been involved in the crime.

Joseph O'Neill, the family's lawyer, says Mancini's widow and children feel as though they have been victimized repeatedly: first by the murder, and then by the botched autopsy.

The only reason the family has not sued over what has happened to them, O'Neill says, is because New Jersey law makes it difficult, if not impossible, to recover damages for

emotional distress in a malpractice claim against a medical examiner.

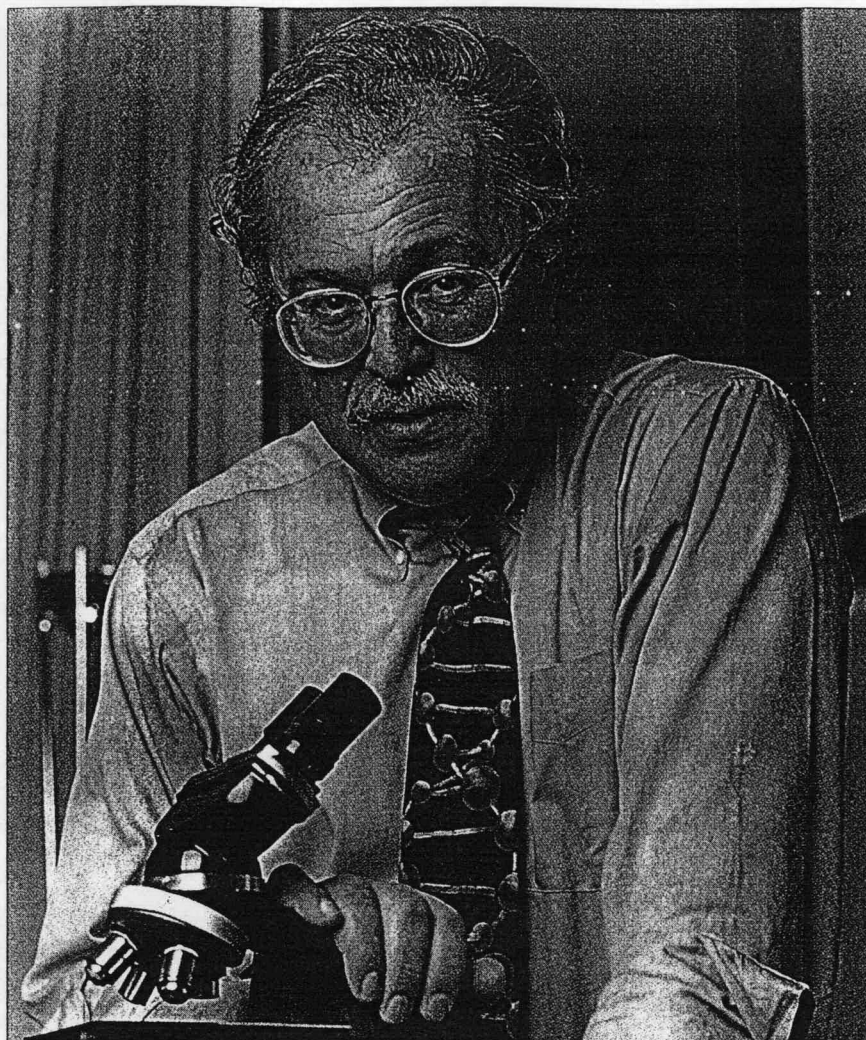
About the time Mancini's body was discovered, just the opposite confusion over the manner and cause of death was unfolding in another murder case across the state. That case had begun more than a year earlier, when an Ocean County, N.J., man found unconscious in a parking lot was taken to a hospital with what the police described as a gunshot wound to the head. After 49 days in a coma, the victim, Robert Webb, died.

The doctors who initially examined the patient were skeptical. Webb had a laceration over the left eye, but there was no evidence of a penetrating wound, and X-rays showed no signs of a bullet. Yet their primary concern was to treat

the injury, not to figure out what may have caused it.

Dr. James Kaye, the county medical examiner, assigned the autopsy to a hospital pathologist, who apparently accepted the police account of what had happened at face value. He not only certified the cause of death as a gunshot wound but dutifully described the path of a bullet through the victim's head. Afterward, a suspect, Willie Simpson, was arrested and charged with the crime.

The only trouble was, as shown in a review of the original autopsy report by an outside expert in preparation for Simpson's trial, Webb had not been shot. He died of blunt force trauma, according to the expert, whose findings were consistent with those of an eyewitness.



Michael Baden: "We're still living in the Dark Ages" in terms of death investigations.

ness who said the victim had been hit in the head with a brick thrown by somebody other than the defendant. Charges against Simpson were dropped, but no one else has been prosecuted.

Robert Konzelmann, the assistant public defender who represented Simpson, says he was not surprised by the turn of events in the case against his client. Konzelmann says he once represented a man charged in the stabbing death of another man who was later found to have died from a beating.

"The closer you look at some of these autopsy reports, the more you find," he says.

When most people think of death investigations, they probably think of the popular 1980s television show "Quincy," in which the title character, a medical ex-

aminer, could crack the toughest murder case in the course of an hour without even breaking out in a sweat. But reality is nothing like the TV version.

What They Do

■ **Coroner:** Typically an elected official who decides whether a death occurred under circumstances that require an autopsy, either by law or to determine manner or cause. A coroner can determine the scope of an autopsy and who will perform it if the elected coroner is not qualified. Only Kansas, Louisiana, North Dakota and Ohio require, without exceptions, that coroners be medical doctors.

■ **Medical examiner:** Usually a medical doctor, although not necessarily a highly trained pathologist. Like a coroner, a medical examiner decides whether a death occurred under circumstances that may require an autopsy and who will perform it if the medical examiner is not qualified. A medical examiner is usually appointed to the position and may have jurisdiction for a county, district or state.

■ **Pathologist:** A medical doctor with specialized training to diagnose and interpret bodily changes caused by disease in tissues and fluids.

■ **Forensic pathologist:** Has advanced training to investigate and analyze unnatural deaths caused by traumatic injuries, such as gunshot and stab wounds, blunt force and poison.

Far from being an isolated outrage, mistakes such as the ones that occurred in New Jersey are more common than the average "Quincy" fan would dare imagine. Nor are they in any way unique to New Jersey, which is generally believed to have one of the better death investigation systems in the nation. New Jersey has a state medical examiner system, headed by a forensic pathologist who oversees the work of county medical examiners, all of whom are doctors.

"What has happened in New Jersey happens all over the place, all the time," says Dr. Claus Speth, a consulting forensic pathologist in Woodbury, N.J., who discovered the two bullets in Mancini's body. "For every case you hear about, there are hundreds more like it. And every one of them is just as outrageous."

Others suggest that Speth, who has been at odds with the New Jersey medical examiner establishment for years, may be prone to exaggeration. Speth quit his job as the Gloucester County, N.J., medical examiner in 1991 after a report that was highly critical of his performance. He has been a loud and frequent critic of the system ever since.

But even if Speth overstates the case, he is not alone among his peers in offering a dismal assessment of the way death investigations are conducted in many parts of the nation.

Nobody knows how many murders go undetected, how many killers go free, how many innocent

people are convicted of a crime that never occurred or how many suicides are covered up in deference to the next of kin.

"It probably happens more often than we know of, or would like to think," says Dr. Boyd Stephens, chief medical examiner for San Francisco. "But if everything's not done properly in the beginning, nobody's usually ever going to know whether a mistake was made or not."

Interviews with more than three dozen coroners, medical examiners, forensic pathologists, legal experts and people who claim to have been victimized by the system paint a disturbing picture of a process that is, at best, woefully in-

adequate and, at worst, often inept. That is not a surprising assessment when you consider that, in many parts of the country, death investigators may not always know what they are doing. Many of the ones who do are expected to work under some of the most trying circumstances imaginable.

enormous power. In most states, by law, all unnatural deaths—including but not limited to homicides, suicides and accidents—are supposed to be investigated. So, too, in many states, are sudden, unusual, suspicious, unattended or drug-related deaths.

Dr. Werner Spitz, former chief medical examiner for Wayne County, Mich., and a consulting forensic pathologist near Detroit, estimates that up to 70 percent of the nation is poorly served by its system for investigating unnatural deaths.

"Is this an enlightened system?" he asks. "No, it's not. It's really no better than what they have in many Third World countries."

Death investigators, be they coroners or medical examiners, wield

responsible for certifying the cause and manner of death.

Of the nearly 2.2 million deaths reported in the United States in 1992, almost 7 percent, or nearly 143,000 deaths, were classified as unnatural, according to the U.S. Department of Health and Human Services' Division of Vital Statistics.

As a rule of thumb, autopsies are performed in about half of all the deaths that end up being investigated. About 95 percent of the time, the cause and manner of death are readily apparent. It is the remaining 5 percent or so of cases in which the answers are not always so obvious.

The importance of a proper death investigation cannot be overestimated, up to and including the possibility that it could lead to criminal prosecution. A death certificate can either compound a family's grief or bring peace of mind.

And the investigation can be used to settle a range of legal issues, from insurance coverage to death benefits to civil liability.

On a larger scale, death certificates can help expose product defects, uncover new diseases such as AIDS, and identify emerging social problems such as child abuse. And taken as a whole, they constitute the basis for mortality statistics on which much of the nation's health care policy is set.

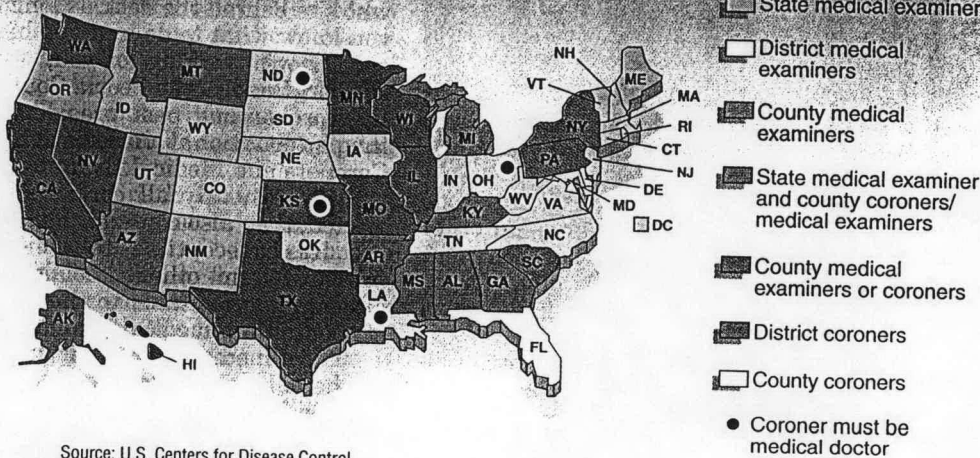
Moreover, in the case of a public figure or celebrity, allegations of a faulty investigation can become a source of lasting controversy.

The most notable example is the one still surrounding the assassination of President Kennedy in Dallas 32 years ago. The most recent is the one following the murders last June of Nicole Brown Simpson and Ronald Goldman, for which O.J. Simpson is on trial.

To understand the way the system operates, it is important to note that even the use of the word "system" to describe a process that encompasses more than 3,000 individual jurisdictions is a misnomer.

The State of Death Investigations

The use of medical examiners or coroners varies not only among states but even within states. Twenty-two (including the District of Columbia) use some type of medical examiner system, 11 use some type of coroner system, and 18 use a mix.



Source: U.S. Centers for Disease Control



"When I need somebody to tell me how long a body's been in the ground, I know who to call," says South Carolina coroner Sue Townsend, who considers herself a liaison.

There is no uniform method for certifying deaths in this country, and no two states do it exactly alike. In some states, the process even varies from county to county.

Roughly half the nation's population comes under the jurisdiction of coroners, although there are far more places with coroners than there are with medical examiners. The rest of the population falls under the jurisdiction of medical examiners, usually a doctor who is appointed to the job based on merit.

Coroners are usually laypeople who are elected to their jobs. Even today, the qualifications for becoming a coroner, where they exist, typically only address such variables as age, residency and voting status.

Only four states, Kansas, Louisiana, North Dakota and Ohio, require that a coroner be a doctor. In North Dakota, the requirement only applies to counties with more than 8,000 people. Louisiana makes an

exception for parishes in which no doctor is willing to serve. In other states, the qualifications are far more lenient. South Carolina, for example, requires only a high school diploma.

In fact, a disproportionate number of coroners are funeral home directors who fell into their line of work because they happened to be in the business of transporting bodies. Sheriff's deputies, school bus drivers and tow truck operators also have served as coroners. So have gas station attendants, tavern owners, jewelry salesmen and accountants.

To be sure, some coroners do exemplary work. And a well-trained coroner who recognizes his or her own limitations can do a better job than a doctor with little or no training in investigating deaths.

"I'm not an expert in anything," says Sue Townsend, the plain-spoken Aiken County, S.C., coroner and president of the South Carolina Coroners Association. "I consider myself a liaison. And when I need

somebody [like an entomologist] to tell me how long a body's been in the ground, I know who to call."

Few coroners have had any formal medical training. Many operate on a shoestring budget, which forces them to cut corners whenever and wherever they can. And too many rely for autopsies on hospital pathologists, who are trained to study the ravages of disease, not to reconstruct how somebody died.

"Asking a hospital pathologist to do an autopsy on the victim of a violent death is like asking a dermatologist to perform brain surgery," says Baden of the New York State Police.

Many coroners insist there is nothing wrong with the system that is not already being addressed by a movement within the profession to improve training and qualifications.

And they point out that a majority of states with coroner systems, South Carolina included, recently have upgraded requirements for the office and implemented mandatory on-the-job training.

"It really makes no difference who sits behind the desk as long as you know what to do and you have good people working for you," says Herbert Buzbee, the Peoria County, Ill., coroner and past president of the International Association of Coroners and Medical Examiners.

Since nearly all coroners are elected, they also contend that they are less susceptible to political pressure from other officials and are more accountable to their constituents than medical examiners.

"If a medical examiner screws up, he only has to answer to a chosen few," Buzbee says. "If a coroner screws up, there will be hell to pay in the next election."

Still and all, it would be hard to argue with the proposition that death investigations would best be left in the hands of experts, especially in an age of rapidly advancing technology in the field of forensic science, such as DNA analysis on hair and bones.

That is not to say that medical examiner systems do not come with their own, individualized set of problems.

Only a handful of the states and some of the largest urban areas with medical examiner systems require that death investigations be conducted by board-certified or

board-eligible forensic pathologists, specialists with advanced training in analyzing traumatic injuries such as blunt force, poison, and gunshot and stab wounds.

A major problem is the shortage of skilled personnel. Of the nearly 671,000 doctors licensed to practice in the United States, less than 3 percent, or 17,149 doctors, are specialists in pathology, according to the American Medical Association.

Only 435 of them are board-eligible forensic pathologists, of whom 335 are board-certified. Not all forensic pathologists are working full time; at least 12 states do not employ any at all.

One reason there are not enough qualified professionals to go around is the work itself, which can be both dirty and demanding. Medical examiners are on call 24 hours a day. Their caseloads can be crushing. Many of their offices are chronically understaffed and ill-equipped. And they must be comfortable spending a lot of their time in court.

"It takes a special kind of person to do this type of work," says Dr. Patricia McFeeley, New Mexico's assistant chief medical investigator. "[The job] may be a lot of things, but it's never boring."

The relatively poor pay of a medical examiner does not help the situation, either.

While a pathologist must spend an additional year in training and pass another set of board exams to become certified in forensic pathology, he or she is likely to make far less money than a hospital pathologist in private practice. Most medical examiners earn less than \$100,000 a year, while a hospital pathologist can earn twice as much or more.

As a result, many medical examiners supplement their income by moonlighting. Some earn more in consulting fees than they make from their jobs as full-time medical examiners.

The political aspects of the job can be another big drawback. Medical examiners are subject to a variety of pressures from competing interests. Although most of them are appointed, they work at the pleasure of elected officials, who may have a vested interest in the outcome of an investigation.

And while many medical examiners would deny ever having been pressured to change their

findings, the nature of the job is such that they cannot avoid stepping on toes.

"If a decision helps the prosecutor, it hurts the defense. If it helps the insured, it hurts the insurance company," Baden says.

Texas counties who pleaded no contest in 1992 to charges of faking or botching hundreds of autopsies over a nine-year period. He was placed on 10 years' probation, ordered to perform 200 hours of community service and forced to give



After spending six months in jail in the murders of his wife and daughter, Kenneth Reno is a free man due to revised autopsy findings by outside forensic pathologists.

"It's very awkward to be a doctor in the public sector."

Also, in the larger scheme of things, the needs of the medical examiner's office typically are regarded as a low priority. After all, its only constituency is the dead. And the dead, as more than one medical examiner is quick to point out, don't vote.

The legacy of "Quincy" notwithstanding, the profession also has been suffering from something of a public image problem lately. For that, it has people like Ralph Erdmann to blame.

Erdmann is the former medical examiner for more than 40 west

up his medical license.

Erdmann aside, most medical examiners maintain that the incidence of fraud or incompetence within the profession is extremely rare.

But they acknowledge that even a well-run, well-equipped, well-trained medical examiner's office can offer no guarantees that a mistake will not be made, an autopsy will not be botched, a piece of evidence will not be mishandled or misplaced, or a difference of opinion between experts will not arise.

"We're only human," says one veteran medical examiner who did not want to be identified. "We all make mistakes. I know I've made a

few myself. ...What troubles me the most are the ones I don't know about, which I hope are minimal."

Kenneth Reno knows all too well what can happen when something goes wrong. In 1991, the Detroit-area man spent nearly six months in jail awaiting trial for a double murder he did not commit.

Reno was watching television with his 21-year-old daughter, Robin, one night when he broke his dentures on a kernel of popcorn. His wife, Carlynne, was in bed, asleep.

He went to the store to get some glue, and when he returned a half-hour later he found his wife dead and his daughter mortally wounded. Each had been stabbed more than a dozen times.

When he asked his daughter who had stabbed her, he says she replied, "Tommy ... Tom Collins." When he asked her who Collins was, he says she identified him as a friend of the father of her 2-year-old daughter.

Moments later, Reno's daughter died. The next day, Reno was charged with two counts of murder. He was prosecuted mainly on the

Questionable Guilt

Depending on which medical expert prevails, the interpretation of an autopsy report can set you free—or send you to prison

By all outward appearances, 11-month-old Melissa Mathes was her usual, playful self when her baby sitter picked her up at her parents' home the morning of Jan. 22, 1993.

Forty-two minutes later, the Marshalltown, Iowa, girl stopped breathing on the living room floor of her baby sitter's home. The next morning, she died.

An autopsy revealed that Melissa had sustained severe head injuries, including a massive skull fracture, a large blood clot and extensive bleeding around the brain, in the five to 10 days before her death. It also disclosed a fresh bruise on the front of her brain and new bleeding around the brain and in the eyes.

But the team of doctors who either treated the girl or who investigated her death concluded that the older injuries had not killed Melissa. They determined that the girl's more recent injuries showed she had been shaken or slammed to death during the 42 minutes she was alone with the baby sitter, Mary Weaver.

That was about all the evidence prosecutors needed to convict Weaver, the 41-year-old mother of two small children, last year of first-degree murder. Weaver, who was sentenced to life in prison without parole, is appealing her conviction to the Iowa Supreme Court, which heard arguments April 4.

Critics say the Weaver case illustrates the kind of weight that

even the most contested medical evidence from a coroner or medical examiner can carry. It also demonstrates what can happen when more credibility is placed in the supposedly detached and objective opinions of one set of so-called experts over another.

There is no disputing the fact that Melissa was brutally murdered. An expert for the prosecution said her injuries were consis-

in Marshalltown, a farm-based community of 26,000 in central Iowa, who believe that Weaver, a well-liked and deeply religious woman with no history of violence or abuse, is innocent. And there would seem to be enough questions surrounding the case to at least raise the possibility of reasonable doubt.

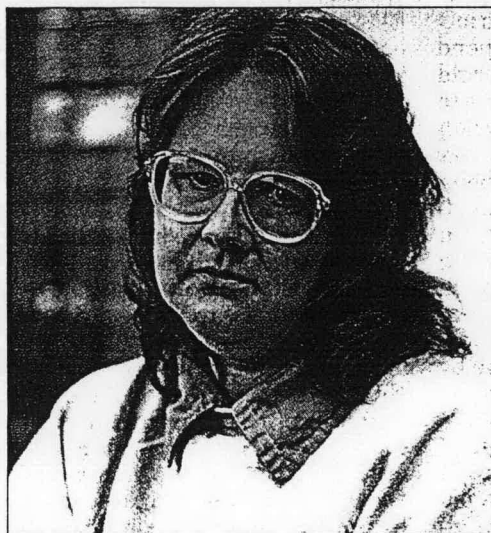
The evidence against Weaver was highly circumstantial, relying largely on the hotly disputed testimony of a handful of state medical experts who discounted the seriousness of Melissa's earlier injuries.

They contended that those injuries, which they alone claimed never were life-threatening, were actually in the process of healing when she died.

No attempt was made to account for the cause of those injuries, which all but one of the experts on both sides agreed were seven to 10 days old.

The one exception was Dr. Thomas Bennett, a forensic pathologist and the state's medical examiner, who concluded that the skull fracture was five days old, coinciding with the date Weaver had last taken care of Melissa.

The prosecution's experts focused instead on the girl's more recent injuries, all of which they said could only be explained by a violent episode of shaking or slamming that occurred just prior to the time



Mary Weaver: Convicted in death of Iowa baby.

tent with a fall from a three-story building. And an expert for the defense described her injuries as something akin to being swung by the ankles like a baseball bat against a brick wall.

Yet there are plenty of people

strength of an autopsy report that stated his daughter's vocal cords had been cut, rendering her incapable of speech.

Despite the autopsy report, Assistant Wayne County Prosecutor Dan Less had doubts about Reno's guilt. Reno did not know the man he says his daughter named as her killer. And it did not make sense for him to make up the story because

the whereabouts of the man he had accused could easily be checked.

The autopsy report on Reno's wife provided another clue that something was amiss. It stated that the woman had natural teeth that were still intact, when Less knew the victim had false teeth that had been knocked out during the attack.

So the prosecutor asked four outside experts, including a throat

specialist, to review the autopsy report and Robin Reno's larynx, which had been preserved as evidence. All four concluded that her vocal cords had not been cut, making Reno's story all the more credible.

Six months later, Tom Collins, the man Reno's daughter had identified as her assailant, was arrested for a burglary. Eventually, he confessed to the killings and was sentenced to life in prison.

In his confession, Collins implicated the child's paternal grandmother, Linda Lambert, who he says wanted Robin Reno dead so that she could get custody of her granddaughter. Lambert was subsequently convicted of breaking and entering, and two counts of manslaughter, for which she is now serving a 6½- to 15-year prison sentence.

Reno, who went on to sue the police for false arrest and malicious prosecution, reached a settlement last year for an undisclosed amount of money. He is still appealing the dismissal of his suit against the medical examiner's office, which a judge has ruled is protected by governmental immunity.

"There needs to be some kind of safeguards put in place," Reno says of the system. "It might cost a little more money, but where there's a life involved, it would be worth it."

Unfortunately, while the system's shortcomings may be all too obvious, a solution is much more elusive (see page 69). Some forensic pathologists suggest giving medical examiners civil service status or allying them more closely with medical schools, which have a strong tradition of independence.

Some advocate setting up regional forensic science centers that would offer continuing education and the services of an expert as needed; others propose the creation of a private system that would operate on a fee-for-service basis.

But nearly all agree on the need for higher salaries to lure more bright doctors to the field, a uniform set of national standards to govern the profession, better training for employees to minimize the potential for error, and improved funding to ensure that each investigation gets the attention it deserves.

The public should demand no less. □

she stopped breathing in Weaver's home.

The defense countered the state's medical evidence with testimony from several expert witnesses of its own, including that of two well-known forensic pathologists: Dr. Earl Rose, the retired director of pathology at the University of Iowa's medical school, and Dr. Vincent DiMaio, the chief medical examiner for San Antonio, Texas.

Both concluded that there was no evidence showing that Weaver had harmed Melissa. Both said the girl already had been critically injured and was in danger of dying when Weaver picked her up from her mother's.

And both attributed the girl's death to a re-bleeding of her previous injuries, which they said could have begun spontaneously or with only the slightest provocation.

"This kid could've died if you so much as looked at her too hard," DiMaio said in an interview.

Some of the strongest evidence in Weaver's favor was never even introduced at her trial. Marshall County District Judge Carl Peterson, who decided the case without a jury, would not allow testimony from a cemetery worker who said that Melissa's mother had inquired about the cost of a grave site about a month before her daughter died, which she denied.

The judge also refused to allow an expert on child abuse to testify that child abusers are sometimes abused as children, as Tessia Mathes had testified she was.

Weaver's first trial, which included the evidence that Peterson excluded from the second trial, ended in a hung jury. But Weaver, thinking that a judge would better understand the medical evidence, elected to be retried without a jury.

It was a decision that would come back to haunt her. Peterson, who found Weaver guilty, described the state's case in his verdict as overwhelming. While acknowledging that there was no direct evidence that Weaver had hurt Melissa, Peterson concluded that Weaver was alone with the girl when the fatal injuries were inflicted and that those injuries could not have been inflicted accidentally.

In the wake of Weaver's conviction, however, two new witnesses came forward separately to say that Mathes told them Melissa had hit her head on a table at home before Weaver picked her up on the day she stopped breathing.

Their accounts differ from Mathes' testimony that Melissa had bumped her head that morning on the padded footrest of a reclining chair before Weaver arrived.

But the newly offered testimony did not persuade the judge to grant Weaver a new trial. Peterson ruled that the two statements were hearsay, which rendered them inadmissible. And he held that the evidence, even if admissible, would not have changed the outcome.

The Iowa Attorney General's office, which represents the state on appeal, stands by Weaver's conviction. Assistant Attorney General Roxann Ryan, one of the lawyers handling the appeal, said the case against Weaver was especially strong. "If I wasn't convinced of her guilt, I wouldn't be able to proceed with the appeal," she said.

But Stephen Brennecke, who was Weaver's friend before becoming her trial lawyer, said he has no doubt that Weaver is innocent.

"Thousands of people are absolutely convinced Mary Weaver is innocent. They know time will prove them right."

—Mark Hansen

wayne

From: wayne
To: 'Starr, Mr. Kenneth '
Subject: Foster' Death
Date: Tuesday, June 20, 1995 11:44AM

06/20/95

Office of the Special Counsel
Two Financial Centre Suite 134
10825 Financial Centre Parkway
Little Rock, Arkansas 72211

Sir:

I am enclosing a copy of an article that is causing me a lot of concern! Please, Mr. Starr will you assure me that everything will be done to investigate and make public all of the facts about Mr. Foster's death, as well as all of the other people connected to "Whitewater"? I do not care where the chips fall, I just want all of the facts to come out and let the chips fall where they may!

Foster Death Discrepancies are Abundant:
Did His Neck Suffer Trauma
By Chris Ruddy
Pittsburgh Tribune-Review

Independent Counsel Kenneth Starr's probe into the death of Vincent Foster has opened up some discrepancies in the case including strong evidence that the White House aide may have suffered trauma or a wound to his neck.

Homicide experts say that in any investigation of a suicide, several inconsistencies and discrepancies should arouse suspicion.

In the case of President Bill Clinton's close friend, the inconsistencies and discrepancies number in the several dozens.

"Freak things can happen in violent death," explains Vincent Sealise, a former New York City homicide detective. "But the laws of nature cannot be suspended and inconsistencies don't range into the dozens as in this case."

The Tribune-Review reported that Associate Independent Counsel Miguel Rodriguez resigned from Starr's staff after he was thwarted in his efforts to investigate such inconsistencies.

Rodriguez was unavailable for comment and referred all calls to Starr's Little Rock office.

In addition to the several dozen inconsistencies, here are some significant problems Rodriguez turned up.

NECK TRAUMA

A key element in the suicide ruling has been official reports noting the absence of additional wounds to Foster's body and no signs of struggle at the crime scene.

An Independent pathology team for Special Counsel Robert Fiske also reached that conclusion after reviewing the autopsy and Polaroid photos of the scene. The only wounds on Foster's body, according to official accounts, was an entry wound in his mouth and an exit wound out the back of the head--consistent with a self-inflicted gunshot wound.

But photographic evidence unavailable to Fiske's Pathology team may have led them to a different conclusion.

Rodriguez and other prosecutors reviewed the original Polaroid's never used by the Fiske Investigation. These originals were enhanced by a specialized lab outside the FBI.

One enhanced Polaroid showed what "appears to be a wound, puncture or other trauma" to the right side of Foster's neck, the source said.

Two emergency rescue workers, trained in the identification of wounds and other trauma, said the neck appeared to have suffered trauma when they first arrived on the scene.

A Fairfax County EMS technician, Richard Arthur, who was present at the scene on the night of Foster's death told the FBI last year that "he noted what appeared to be a small caliber bullet hole in Foster's neck on the right side just under the jaw line about halfway between the ear and the tip of the chin."

Arthur has told the same story to Starr's Investigators.

Lead paramedic George Gonzalez told Fiske's investigators he thought he saw a bullet wound in Foster's forehead. After reviewing the new photographic evidence, Gonzalez told Starr's probe that the neck trauma is consistent with the appearance of Foster's body when he arrived at the scene, a source said.

"These wounds did not exist. The autopsy results, the photographs taken at the scene, and the observations made by the park police investigators conclusively show that there were no such wounds," said Fiske.

PHOTOS DISTORTED

Investigators for Fiske said Arthur confused the wound with a contact blood stain on Foster's neck-- a blood stain the FBI lab said was produced when Foster's jaw came in contact with his bloodied shirt.

An FBI blood splatter analysis identified the stain from a crime scene Polaroid.

But Rodriguez discovered that Fiske's pathology team, as well as the FBI lab analyzed not the original photos, but third-generation photos said to be distorted and obscured.

According to a well-placed source, the FBI for unexplained reasons, first took Polaroid shots of the original 13 crime scene Polaroid's.

After Polaroid's were made of the Polaroid's, the FBI lab then took 35mm pictures of the second generation Polaroid's.

It is the 35mm, third generation photos that were reviewed by the FBI and Fiske pathology team.

"Each time you make a copy of a copy, you lose definition," Fred Santucci said. "Polaroid's aren't sharp in definition to begin with."

Santucci, a former New York City police homicide expert spent 15 years as a forensic crime scene photographer for the department.

"The only thing I can think why this was done," Santucci said of the use of the third generation photos, "is because someone wanted to hide something."

Santucci said a 35mm shot should have been taken of the original Polaroid. Another method is to use hi tech computer scanning which allows for enhancement with little distortion.

Park police said the crime scene photos taken by a 35mm camera were underexposed in the lab.

An autopsy prepared by a Virginia medical examiner makes no notation of wounds or trauma to Foster's neck. But a source who reviewed the autopsy photos said they show the right side of the neck depict "black crater-like indentions" where the scene Polaroid indicated trauma.

NO FINGERPRINTS

Despite Foster's position as a high federal official, with appropriate security clearances, the government claims to have no set of fingerprints for Foster, according to two sources close to the Starr investigation.

The fingerprints would be important for the investigation because eight unidentified fingerprints were found on Foster's 1989 Honda, a palm print was found on a note torn into 23 pieces and two fingerprint were found on Foster's gun.

Despite the Starr inquiry claim that there are no fingerprints, FBI lab reports attached to the Fiske report state otherwise.

The park police report states that during the autopsy "...fingerprints were taken from the victim..."

A handwritten document in the police file states that May 26 Fiske's staff apparently acquired the autopsy fingerprint card from the park police case packet. It was signed for by FBI Agent William Colombell.

Apparently the autopsy fingerprint card Colombell took possession of was turned over to the FBI lab May 31. The FBI stated the autopsy prints were unusable and it could make no identification based on those prints.

The police and Fiske's investigations found no prints on any outside surface of the gun. During the FBI analysis for Fiske, the FBI found two prints, each under the plates on the hand grip after they had been unscrewed.

Recently Starr's investigation has asked for an extensive search of Vince Foster's late father's military records in St. Louis seeking his fingerprints in hopes of linking him to the gun.

The gun's ownership has been another glaring inconsistency in the investigation. Both the park police and Fiske intimate the gun was passed onto Foster after his father's death. Yet, grandson of Foster's father, intimately knowledgeable of his grandfather's guns said the revolver did not match any he remembered.

MISSING POLAROID'S

Glossed over by official investigations are missing Polaroid's taken by a second park police officer on the scene, Franz Ferstl.

He told FBI investigators for Robert Fiske that he believed he took seven Polaroid's.

The park police have accounted for only 13 photos taken by two other officers.

According to a source, Ferstl told the grand jury earlier this year photos he saw of the 13 Polaroid's didn't match his memory.

For example, Ferstl said when he first came upon the body he found Foster lying on the ground with the palms of his hands up.

Current scene Polaroid's show Foster's palms down.

A confidential witness who is said to have found Foster's body also claims to have found Foster with his palms up.

Other evidence indicates Foster's hand was moved. Photographic evidence uncovered in the Rodriguez probe showed vegetation protruding through the fingers that were different in another Polaroid of the same scene.

Wayne Mann

wayne

From: wayne
To: 'Starr, Mr. Kenneth '
Date: Tuesday, June 20, 1995 12:34PM

06/20/95

Office of the Special Counsel
Two Financial Centre Suite 134
10825 Financial Centre Parkway
Little Rock Arkansas 72211

Sir:

After faxing the previous letter to you I found this article which increases my concern! Please, don't let the AMERICAN public down! DO whatever needs to be done to get to the bottom of this. Thank you.

Foster Eyewitness Ignored
by Chris Ruddy
Pittsburgh Tribune-Review
6/14/95

A couple present at Ft. Marcy Park on the evening of the Vincent Foster's death told the FBI last year that at least two individuals were in or around the White House aide's car shortly before his body was found.

The witness statements, which they claim were incorrectly recorded by the U.S. Park police, "were completely ignored" by the staff of the Independent Counsel Kenneth Starr.

With the resignation of Associate Whitewater Counsel Miguel Rodriguez in March, Starr's staff has apparently also chosen not to re-investigate the matter.

The witness statements add to the several dozen inconsistencies and discrepancies in the suicide ruling, homicide experts say.

FIRST SIGHTINGS

Foster's body was found in the Civil War roadside park shortly after 6 p.m. July 20, 1993--approximately five hours after he had left the White House West Wing.

No one saw him alive, as far as authorities are concerned, from the time he passed a Secret Service checkpoint at 1 p.m. that fateful afternoon until his lifeless body was discovered at Ft. Marcy.

According to one FBI report:

The first firm sighting of his car was approximately 4:30 p.m., by a motorist who entered the small parking lot off the George Washington Memorial Parkway.

The motorist noted a Honda with Arkansas plates in one of the first spots in the lot, fitting the location and description of Foster's car. He also observed another car, probably of Japanese make, parked several spots past Foster's car. The car was occupied by an individual described as male in his late 20's probably Mexican or Cuban, with a dark complexion.

When the motorist left his car to urinate in nearby woods, he said the male occupant left his car and followed him, making the motorist "feel extremely nervous and uneasy."

The motorist quickly relieved himself and left.

KEY STATEMENTS

Shortly after 5 p.m. a couple who have sought to keep their identities secret drove up to the park to enjoy a late picnic.

Both told Fiske's FBI investigators just over a year ago that when they entered the parking lot there was only one car parked in the lot, and their descriptions are generally consistent with Foster's 1989 Honda and its placement in the lot.

The female visitor told the FBI she believed that "a white male was seated in the driver's seat" of the vehicle. She said he had dark hair and "could have been bare chested."

As the driver of the car, she had an unobstructed view of Foster's car, which was parked to her immediate left.

Her male companion told the FBI that he remembered the hood of the vehicle was up and a white male was standing near the hood of Foster's car. He was described as "mid to late 40s, approximately 6 feet in height, medium build, long blonde hair and beard, appeared unclean and unkept."

The male witness said he saw the unkept man standing near Foster's car after the had backed into the parking spot, giving him a clear view of Foster's car to his right.

The couple said they sat in their car until about 6 p.m., and then exited the car to have their picnic. They first learned of a problem, they said, when emergency workers stumbled upon them during a search for the body shortly after 6 p.m.

The park police report gives a decidedly different representation of their accounts.

The scene investigation report, prepared by plainclothes investigator Cheryl Braum, contains the only witness statements of persons found in the park after police arrived. That report cites the couple as having observed "a small car with a man without a shirt sitting in it" who the couple was quoted as saying "left shortly after their arrival."

The man with the long blond hair who had the hood raised is described in this way: "The final vehicle the observed was a light colored older model that pulled in next to the deceased vehicle." The driver then pulled his hood up, went into the woods for a short time and then left.

After being shown the park police statement of her account, the female witness told the FBI that the police statement was not true, and did not match her recollection of what she had told them.

The police statement implies that two cars, in addition to Foster's Honda, were observed by the couple, who saw persons either in a car or with the hood up.

The FBI witness statements make clear that the male and female both saw only one car, apparently Foster's, and individuals in or around it.

In two interviews this year, the female told the Tribune-review that she stood by her account to the FBI, which she said is consistent with her male friend's statement of seeing only one car in the parking lot.

The only other vehicle that parked in the lot while they were there was a white utility van. Fiske's investigators concluded the van driver was the first person to find Foster's body.

The female witness stated she has never been contacted by anyone on Starr's staff, nor has she or her friend been summoned before a grand jury.

A spokesman for the park police, Maj. Robert Himes, said Officer Braum was not available for comment on the case. He added that the park police stood by her report and police report.

STATEMENTS OVERLOOKED

Fiske's 58-page report makes no mention of the witness statements, which were part of his investigation and released by the Senate Banking Committee this year.

According to a source close to the investigation, Rodriguez believed the witness statements were supportive of evidence Foster's body had been transported to the park.

No time has ever been nailed down for Foster's death, and the Fiske report concludes death could have occurred from the time Foster left the White House up until the time the body was found.

Wayne Mann

The Washington Times

Forensics expert is asked to review Foster death facts

DATE: 6-10-95PAGE: A-4

By Jerry Seper
THE WASHINGTON TIMES

Henry C. Lee, a noted forensic scientist, yesterday said he has been asked by Whitewater prosecutors to review the July 1993 death of White House Deputy Counsel Vincent W. Foster Jr.

Mr. Lee, head of the Connecticut State Police Crime Laboratory and an expert witness in several noteworthy trials, said he met with prosecutors last month in Washington to discuss a possible re-examination of earlier findings that determined Mr. Foster's death was a suicide.

A veteran forensics expert who was involved as a defense witness in the William Kennedy Smith rape trial and is listed as a defense witness in the O.J. Simpson murder trial, Mr. Lee said in a telephone interview he had conducted only a cursory look so far into available records.

He said, however, he expects to become more involved in a review of the July 20, 1993, death during the next few weeks.

"I just got started on this and haven't really done much yet," Mr. Lee said. "I met with assistant independent counsel Mark Tuohey and agreed to review some documents and to study some material."

"I'll have to work nights, holidays and weekends on this, so I'm not sure when it will be done, but I will do the best I can do," he said. "There are a lot of documents to read."

Mr. Tuohey, who heads the independent counsel's office in Washington, was not available yesterday for comment.

Former Whitewater special counsel Robert B. Fiske Jr., in a June 30, 1994, report, said Mr. Foster died by his own hand at Fort Marcy Park in suburban Virginia, where his body was found.

Several conservative groups, radio talk show hosts and others have disputed the suicide finding, suggesting theories ranging from a possible murder conspiracy to

accusations that Mr. Foster died elsewhere and was moved to the park.

The Foster investigation, headed by former Assistant District Attorney Roderick C. Lankler, a homicide expert from New York, included interviews of more than 125 people — friends, relatives and high-ranking White House officials. Those interviewed included President Clinton, first lady Hillary Rodham Clinton, former White House Counsel Bernard Nussbaum, former Chief of Staff Thomas F. "Mack" McLarty, former Associate Attorney General Webster L. Hubbell and White House senior adviser George Stephanopoulos.

Others, the report said, included "everyone known to have been in Fort Marcy Park on the afternoon or the evening of July 20, 1993."

Mr. Fiske said at the time that the investigation, involving seven FBI agents and a panel of forensics experts, concluded Mr. Foster committed suicide "by firing a bullet from a .38-caliber revolver into his mouth." He said evidence "overwhelmingly" supported the conclusion and "there is no evidence to the contrary."

He also said there was no evidence that Whitewater "or other personal legal matters of the president or Mrs. Clinton were a factor in Foster's suicide." At the time of his death, Mr. Foster, 48, was also the Clintons' personal attorney and had handled some of their Whitewater matters.

Four forensics experts hired by Mr. Fiske reviewed the findings, saying in a report the wound was "self-inflicted, resulting from Foster placing the barrel of the gun into his mouth and firing it." They also determined Mr. Foster "shot himself where he was found."

The suicide ruling supported initial findings by U.S. Park Police, who investigated the death because the body was found on park property.

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Foster Update June 11, 1995

1. The AP story that follows was carried by CBS Evening News with Dan Rather and by CNN on Friday.

2. During an interview with Bob Grant of WABC (New York's most listened to talk program) presidential candidate Pat Buchanan reacted to Grant's question about the Lee appointment by saying, "Although I think Foster took his own life in Fort Marcy Park, Chris Ruddy has raised a lot of valid questions. Let's get it all out on the table."

3. June 10 report in the Pittsburgh Tribune Review follows:

Top Forensic Pathologist Tapped for Foster Probe

Washington(AP)--Nationally known forensic scientist Henry C. Lee is helping Whitewater prosecutors by reviewing the death of White House lawyer Vincent Foster two years ago.

Lee, whose expertise has been sought in prominent trials such as the OJ Simpson case, said Friday that he agreed to review the prosecutors' investigatory reports about Foster's July 1993 death to determine if they support the original finding of suicide.

"I think that is the major issue," Lee said in a telephone interview from his office in Connecticut, where he is the state's chief forensic scientist.

Lee said he met with Whitewater prosecutors three weeks ago in Washington and thus far he has conducted only an initial examination of some documents. But he said he expected to "use some of my spare time, my weekend time, to assist," the prosecutors.

Mark Tuohey, the prosecutor in charge of the Washington office of Whitewater Independent Counsel Kenneth Starr, declined comment Friday through his office.

Lee's emergence in the case is one more twist in the agonizing review into the death of one of President Clinton's closest advisers, which twice has been ruled a suicide but still remains under investigation.

Starr appeared close to ending the his probe a few months back. But then, the prosecutor assigned to the Foster death resigned after lawyers for several witnesses complained about his tough questioning before a grand jury in Washington.

Lee said Tuohey contacted him about three weeks ago.

In late April, the Western Journalism Center, a California non-profit organization that supports investigative journalism, issued a report on the Foster case compiled by two former New York police homicide experts.

Vincent Scalice and Fred Santucci reviewed the crime scene at Fort Marcy Park (where Foster's body was discovered), along with numerous reports, and had laboratory analyses conducted by one of the nation's top forensic scientists, Dr. Richard Saferstein.

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Their report concluded that homicide has not been ruled out in the death and that it was very likely that Foster's body had been transported to the park. The report also stated that the 1913 Colt found in Foster's right hand had likely been staged.

As White House deputy counsel, Foster was in the middle of many of the Clinton administration's early problems from health care reform to the White House travel office scandal. His body--gun in hand and with a single wound to his head--was found in a suburban park near Washington on July 20, 1993.

U.S. Park Police ruled Foster's death a suicide.

Whitewater prosecutors opened a review, however, after paramedics who attended the scene publicly questioned the suicide ruling. Prosecutors are also interested in Whitewater documents that were removed from Foster's office after his death.

The first Whitewater prosecutor, Robert Fiske, brought in homicide and forensics experts to review the death, and issued a report last summer reaffirming the Park Police finding that it was a suicide.

But then a panel of federal appellate judges that oversees independent counsel investigations replaced Fiske with Starr.

Due to continuing doubts about the suicide ruling, Starr launched his own review, bringing in new experts to study the evidence.

But none to date have had the stature of Lee, who in two decades has built the Connecticut State Police Crime laboratory into one of the nation's most respected crime scene investigative agencies.

The veteran of hundreds of crime scenes in the United States and abroad, Lee gained national notoriety when he helped Connecticut prosecutors convict a man who had run his wife's body through a wood chipper. He identified minute fragments of bone, teeth and fingernails as those of the victim.

More recently, Lee was hired as an expert court witness and helped defense lawyers in the rape trial of William Kennedy Smith, who was acquitted.

Last year, Simpson's defense team hired him. He is expecting to testify in that murder trial this summer.

The Sunday Telegraph

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JUNE 11, 1995

by Ambrose
Evans-Pritchard in
Washington

IT IS now clear to everybody that the Independent Counsel Investigating the labyrinth of Clinton scandals known as Whitewater is working from the premise that Vincent Foster may have been murdered.

That was the obvious message behind the move that stunned Washington insiders last week when it was announced that a top forensic scientist had been appointed to review the death of Foster, the Deputy White House Counsel whose body was found on July 20, 1993.

The small band who have accused the government of an elaborate cover-up in the Foster case can no longer be glibly dismissed as conspiracy theorists.

The forensic expert, Henry C. Lee, is a household name in the US. The first thing he may want to look into is whether or not the autopsy report by the Virginia Medical Examiner's Office was fabricated to make it look as if Foster committed suicide.

According to the official version, Foster shot himself in the mouth with a .38 calibre Colt revolver of Edwardian vintage, a gun that his family was unable to identify. Somehow, he managed to fire it with both hands gripping the barrel — which is almost impossible to do, according to some homicide experts. The gun, which has a fierce recoil, jumped back out of his mouth without chipping his teeth or leaving any marks on his gums. It landed neatly by his side, still jammed in his right hand.

The autopsy report says that the exit wound in the



Seeking truth: some of the doubt cast by this paper

back of the head was one inch by 1.25 inches. This is curious because no skull fragments were ever found. The bullet was not found either.

The Fairfax County paramedics who retrieved the body from a secluded Virginia park were struck by the lack of blood at the scene. Gunshot wounds of this kind would normally leave an abundant splattering of blood. One of the rescue workers, Corey Ashford, helped put the body in a bag for transport to the morgue.

"Ashford lifted Foster from behind the shoulders, cradling the victim's head," reads the FBI synopsis of his statement. "Ashford did not recall seeing any blood while placing Foster in the bag. Ashford did not recall any blood getting on his uniform or on the disposable gloves he wore while handling the body."

Roger Harrison, another paramedic, helped Ashford with the body. He told the FBI that he "did not recall seeing any blood on Foster

and did not recall seeing any blood on individuals handling the body".

Also present was a paramedic Richard Arthur who believed that Foster had been murdered. He did not see an exit wound in the back of the head. In his FBI statement he said Ashford told him later that "Foster's head was intact and he had not observed any exit wound".

So, who did see this gaping hole in the back of Foster's head? Not the doctor who certified death, which is a bit surprising. According to his FBI statement, Dr Julian Orenstein of the Fairfax Hospital lifted the body by the shoulders "to locate and observe the exit wound on the decedent's head".

But he told *The Sunday Telegraph* that he did not in fact see an exit wound. "I never saw one directly," he said. "I didn't spend too much time looking back there. My suspicions weren't aroused." He was unaware, however, that somebody in the FBI had apparently misrepresented his testimony.

White House death: murder theory comes under scrutiny

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Not resting in peace: Vince Foster's death was officially recorded as suicide

X-rays would settle the dispute. According to the autopsy report X-rays were taken, and Virginia's Assistant Chief Medical Examiner, Dr James Beyer, is quoted in the US Park Police report discussing them. But they seem to have disappeared. Dr Beyer now says that the X-rays were never taken because the machine was not working properly. The contradiction is unexplained.

All that is left to go on is a set of photographs taken during the autopsy. Some of the prints show a rod, used in such examinations, pushed through the mouth and coming out at the back of the head. But they are profile shots that are easy to manipulate.

Dr Donald T. Reay, chief medical examiner of King County in Seattle and one of four outside experts brought in by the Fiske investigation last year to review the death, told *The Sunday Telegraph* that he could not remember seeing a photo that gave a clear view of the exit wound. His panel concluded that Foster "shot himself where he was found".

The embalming of the body was done by Robert J. Murphy in Arlington, Virginia. This is unusual. Murphy has a classified contract

with the US Defence Department. His firm allegedly provides cover stories for operatives killed on secret assignments overseas, according to an intelligence source who has had direct dealings of this nature with the funeral home. The waiting room is decorated with commemorative certificates from military units.

From there the body was taken to the Renhel Funeral Home in Little Rock, Arkansas, for final viewing. The director, Tom Wittenberg, was asked by a private investigator in Arkansas what the exit wound looked like. He replied: "What if I told you there was no exit wound?"

But when pressed on the matter, Wittenberg refused to elaborate. He told *The Sunday Telegraph* that he checked the hair, face, suit and hands, but did not lift the body. "I didn't want to look at Vince," he said, explaining that he had close ties to the Foster family.

Investigators working for the Independent Counsel, Kenneth Starr, are starting to look into the possibility that the exit wound was fabricated in order to make it appear as if the powerful .38 calibre revolver found in Foster's hand was the cause of death.

A .22 calibre weapon —

typically used for close-up assassinations — would tend to produce a tiny exit wound in the shape of a disk. The trajectory of the shot would also tend to be lower, with the bullet coming out through the back of the neck.

Ultimately, the Starr investigation may have to exhume the body to get to the truth. "It would be a last resort," said a well-placed insider. "But in the end we might have to do that."

THE FOLLOWING ARTICLE IS THE LEAD COVER STORY IN TODAY'S
INVESTOR'S BUSINESS DAILY:

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NATIONAL ISSUE

THE ODD DEATH OF VINCE FOSTER

Unanswered Questions Get Scarce Media Play

By Thomas McArdle
Investor's Business Daily

Why is it that almost no journalist is looking into the case of the strange death of Vincent Foster?

Foster was a close friend of and personal financial lawyer for Bill and Hillary Clinton. He was the White House deputy counsel found shot in the head on July 20, 1993 on a Civil War battlefield park near Washington.

He was also the highest-ranking executive branch official to die violently since the assassination of President Kennedy in 1963.

Kenneth Starr, the new special prosecutor in the Whitewater affair, has reopened the Foster case with a Washington grand jury investigation.

The case was officially ruled a suicide by Starr's predecessor, Robert Fiske. The previous Congress reached the same conclusion.

Revealing even minor wrongdoing, much less a cover-up, in the White House's handling of the death could ruin Clinton's re-election hopes. It also might earn a writer a Pulitzer.

Yet apparently only two journalists seem to be spending any serious time on the case: Christopher Ruddy, covering the Foster case full time for the Pittsburgh Tribune-Review, and Ambrose Evans-Fritchard, Washington Corre-

“
If a lead prosecutor during the Watergate scandal had departed in such circumstances, it would have been headline news.
”

— London Sunday Telegraph

spondent for the London Sunday Telegraph.

Ruddy's past work has exposed abuses in Social Security and once led to the first-ever withdrawal of a PBS documentary.

So little coverage of Foster's death is astounding in light of the anomalies in the case, including some provocative developments. A recent inquiry, for example, concludes that homicide in the Foster case should not be ruled out.

Vincent J. Scalice, a retired New York City police detective, and Fred D. Santucci, a forensic photographer for the NYPD for nine years, conducted a two-month investigation and reconstructed the events of the case. Richard Saferstein, formerly head of the New Jersey State Crime Lab, conducted the

lab tests.

Their report, prepared for the conservative Western Journalism Center of Fair Oaks, Calif., and released in April, found that "the overwhelming evidence does not support the conclusion that Vincent W. Foster Jr. committed suicide in Fort Marcy Park." Instead, there is "a high probability" that Foster died elsewhere and his body was taken to the Virginia site, it said.

Foster would have to have walked more than 700 feet to the spot in the park where his body was discovered, yet FBI laboratory tests found no soil on his shoes or clothes.

The independent report conducted tests on three pairs of shoes and clothing worn by a model at the site. Both the shoes and the clothing were found afterward to contain soil.

The Scalice report also found that the position of Foster's body as found in the park "is completely unnatural with a suicide of this type."

Both Scalice and the special prosecutor Fiske's report concluded that Foster must have died in a sitting position. If so, the Scalice report said, then "it is not logical to expect that his arms and legs would have fallen into a neat and orderly position."

The report continued: "The neat arrangement of his arms close to the body, coupled with the overall arrangement of the body itself, is not consistent with suicide."

Continued on Next Page

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scene at 7:30 p.m. and was the first medical examiner to see the body, told Evans-Pritchard that everyone at the scene knew the body belonged to a White House official.

A county rescue worker who left the scene at 6:45 p.m. and who told Evans-Pritchard he was "under a strict gag order" said, "We all knew that it was a White House official when we left."

Evans-Pritchard concedes that after two major investigations by the Park Police and Fiske concluding suicide, maybe reporters can't be blamed too much for going along, but he added that there is more to it than journalistic indifference.

"It's very natural to assume that judicial and police institutions have behaved properly, but I do think there has been an extraordinary lack of curiosity," he told *Investor's Business Daily*.

"And the reflex many journalists tend to have of simply calling anybody who questions or raises doubts about very serious discrepancies in the official version a conspiracy theorist or a Clinton hater is despicable."

According to Ted Smith, professor of mass communications at Virginia Commonwealth University in Richmond, "the concern is that journalists are unwilling to dig too deeply on people associated with President Clinton.

"It's interesting," added Smith, "that with the possible exception of the Washington Times, very little has been turned up on associates of President Clinton even though an unusual number of them are either under investigation or have pled guilty to some sort of charge."

But even the Washington Times has shown little skepticism of the Foster suicide scenario.

One journalist, who has covered the Foster case closely for a widely read publication and preferred not to be identified because the case is ongoing, strongly disagrees with Evans-Pritchard and Smith.

"There are clearly anomalies and there are clearly things that don't add up," the reporter conceded. "But on the other hand, to take it to the next step, as I see it, requires belief in a rather elaborate conspiracy involving a whole bunch of people who never met each other before.

"I cannot imagine any conceivable reason why Park Police people and the Fairfax County's Coroner's office would want to lie and dissemble and conceal evidence to further a cover-up that doesn't further any of their goals whatsoever."

4/14/95
9:45 a.m.

Mr. Duffey my name is Mary Dominick and I'm calling from Philadelphia, Pennsylvania in a hotel. I don't think I'm really secure anywhere in the country. My telephone number is 215-563-7474, room 1306, but I think I need to move from this hotel today. So I think if you can get in touch with me, we're 12, 12:00, it's now quarter of 11 Philadelphia time.

I have information that the FBI in all places has refused that involves the cover-up by Mr. Freeh of the assassination of Judge Robert Vance, 11th Circuit Court of Appeals in Birmingham, Alabama. I don't know what year. I am absolutely convinced that Mr. Freeh covered up the, the real people who committed that crime and I think they committed that crime because Judge Vance was defending me. Judge Vance knew both the people that I knew in Birmingham and he knew Spencer Oliver the person with the Helsinki Commission with _____ in Washington. So he knew from both sides that what they were saying was not true. And I think he was assassinated by people who are going unpunished from my family and other people I cannot tell you but surely others are involved.

Now I think that there is a good possibility that Vincent Foster's death was no suicide. That the files Hillary Clinton directed Maggie Williams to take from Vince Foster's office may have concerned this assassination of Robert Vance that was covered up by Freeh and all the other crimes that have been committed around me. I think Vincent Foster died for the truth. I do not believe he committed suicide. I cannot be sure of that but I believe that's true because of the way that people are trying to cover this up. The FBI will not take any calls from me. They have cut me off from the FBI Corruption Unit. They have tampered with telephones. When I have tried to make calls, I had the hardest time getting the number of Mr. Starr and I'm not sure that they ever gave me the right number. I'm at the Latham Hotel in Pennsylvania on 17th and Walnut and I, I need to know where I can go, a safe place, so that I can, I, so please call me back 215-563-7474, room 1506 before 12 so I know where to check out and where to go and how to stop this nightmare happening around me. Thank you.

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① Outside Criminalists

② Taxonomist (Veg)

③ Pathologists

④ Suicide Expert

5-23-95

1038 Called Brett - left voice msg -

Education Advertising
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Week in Review

Section 4

Inaction Figures

How the World Makes Bosnia Safe for War

By R. W. APPLE Jr.

WASHINGTON

BOSNIA'S is a war nobody wants to lose and nobody wants very badly to win. Except of course the Bosnian Serbs and the Bosnian Muslims, for whom it is a matter of life and death.

Like most of the conflicts that have pockmarked the globe since 1945, it is a local war that might spread; it is a civil war that looks like something else. Lose it, people say, and your credibility (or that of the Atlantic alliance, or the United Nations, or the civilized world) will be destroyed. Lose it, people say, and the established order will crumble.

Much of this is pure political gas.

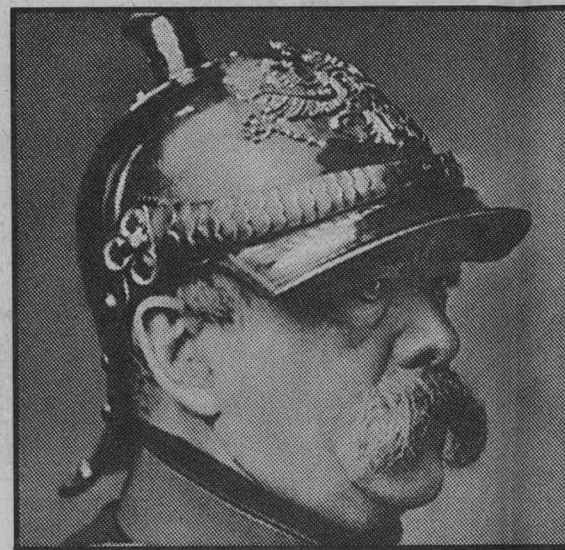
If it were not, if the fall of Sarajevo would really matter as much as the fall of West Berlin would have mattered, the British and the French and the Americans would not have spent so much time pointing bony fingers of blame at one another. But setting aside the humanitarian concerns, the two cases are wholly different; the loss of West Berlin would have tempted the Soviet Union, a ruthless superpower, to try to extend its empire, but the Serbs, while capable of causing chaos in the Balkans, are hardly such a threat to the continent as a whole.

Even last week's ominous developments — the Bosnian Serbs' capture of hundreds of United Nations troops as hostages (including many French and British nationals) and their downing and possible capture of an American fighter pilot — seemed to serve less as a galvanic impetus to the Americans, British and French than as a dramatic illustration of just how much they prefer to stay as close to the sidelines as possible.

Official excuses for incompetence and official explanations of inaction aside, the truth is that Bosnia and Herzegovina have not much of a constituency in the

In each capital, the conflict is seen in different terms, and Realpolitik rules.

world of Realpolitik. The Europeans, especially Britain and France, shrink from seeming impotent in the



Culver Pictures

1878: Deal-Making. Bismarck helps Europe carve up the Balkans and avert general war.



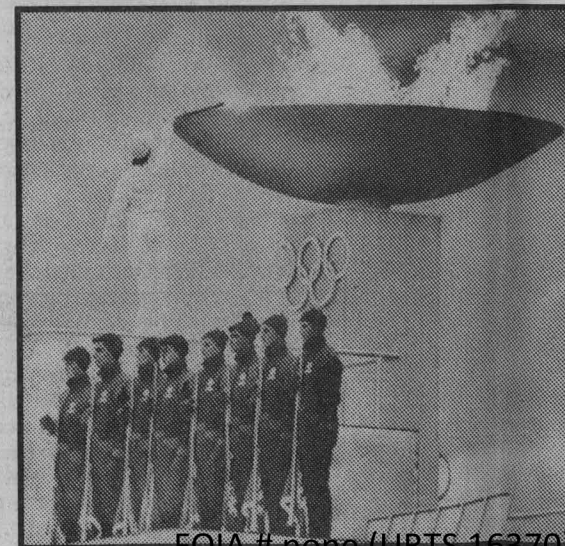
The New York Times

1914: Assassination. The Austrian Archduke visits Sarajevo and is shot, setting off World War I.



Bettmann Archive

1955: Tito. Yugoslavia's Communist leader, having unified the land, keeps Khrushchev at bay.



Associated Press

1984: Amity. A Winter Olympics in Sarajevo shows the world a city at peace with its diversity.



1986: Productivity. The Yugo tries to conquer the global auto market, bargain basement class.



1992: ITN/Rex USA

1992: Ethnic Cleansing. Serbs put Muslims in concentration camps, stirring international outrage.

Wanted: A Fair Trial For Vincent Foster!

Would it be fair to convict O.J. Simpson of murder on the basis of the evidence presented by the police and prosecutors without any challenge from his lawyers?

Of course not! But Vincent W. Foster, Jr., a close friend and senior aide to President Clinton and the First Lady, has been convicted of a crime -- suicide (always punished by death) without a single lawyer or friend rising to his defense and challenging the flimsy evidence on which the police and prosecutors based their verdict.

Vince Foster deserves a defense. You wouldn't want to be remembered as a weakling and a coward who abandoned your family without a parting word, leaving them tortured with the thought that they might bear some responsibility for your death. And neither would Vince Foster.

Seeing a gun in Foster's hand and no sign of a struggle, the Park Police leaped to the conclusion that he had killed himself. They based their entire investigation on that assumption without first learning the answers to these important questions.

	Answer Now Known
1. Did the gun belong to him?	Very doubtful
2. Were his fingerprints on the gun?	No
3. Was his blood found on the gun?	No
4. Could the bullet that killed him be found nearby?	No
5. Could skull fragments and brain tissue be found nearby?	No
6. Could any splatter or mist from the head wound be found on the vegetation near the body?	No
7. Were the blood stains on his face and clothing consistent with suicide?	No
8. Was there any proof that the fatal	

The establishment media have abetted this coverup by refusing to report that gaping holes have been found in the case against Vincent Foster. Believing that Foster deserves better, Accuracy in Media has published a report, "The Trial of Vincent Foster," showing how a good lawyer could easily demolish the case for suicide, using evidence already available, most of it in the two volumes of hearings and documents released by the Senate Banking Committee last January.

Here Are Some Of The Shocking Revelations You Will Find In This Dynamite Report:

- How both the Park Police and Fiske disregarded the proof that supposed powder burns on Foster's index fingers actually show that he did not fire the gun.
- How the police and Fiske concealed the evidence that Foster didn't own the gun found in his hand.
- How they brushed aside the evidence that this gun was not used to kill Foster.
- How they ignored the evidence that Foster was not shot where his body was found.
- Why their claim that the body could not have been moved is false.
- Why Fiske accepted a motive for suicide that had been ridiculed by the White House press corps and repudiated by the President's press secretary.

FOIA # none (URTS 15370) DocId: 70105774 Page 183

Will Kenneth Starr



Vincent Foster

Shortly after learning that he was dead Mrs. Clinton ordered important papers spirited out of his office. His death was called a suicide. Read this page and judge for yourself.

A Message To The News Media

We are outraged that you have told America almost nothing about the GRAND JURY INVESTIGATION of Vincent Foster's death and the interference that led to the resignation of prosecutor Miquel Rodriguez.

Why aren't you asking questions like these?

- If the goal is to find the truth, why the delay in questioning important witnesses and why the objections to hearing testimony from independent forensic experts?
- Why did prosecutor Miquel Rodriguez resign?
- Was Rodriguez close to exposing a highly embarrassing coverup?
- Does his departure signal abandonment of any serious reinvestigation of Foster's death?
- Is it wrong to question witnesses about new evidence without telling them about it?

- 6. Could any splatter or mist from the head wound be found on the vegetation near the body? No
- 7. Were the blood stains on his face and clothing consistent with suicide? No
- 8. Was there any proof that the fatal wound was caused by a bullet fired from the gun found in his hand? No
- 9. Had anyone nearby heard a gun shot? No
- 10. Were there powder burns consistent with suicide? No
- 11. Was there any evidence that he had walked the 200 yards through the park to the spot where his body was found? No
- 12. Was the position of his body consistent with suicide? No
- 13. Had he given any indications to family, friends or co-workers that he was contemplating suicide? No
- 14. Had he put his affairs in order, preparing for death? No
- 15. Did he have a plausible motive for suicide? None known
- 16. Was he visibly depressed or behaving in an unusual manner when last seen alive? No
- 17. Did he leave a suicide note? No
- 18. Did he have plans for important or pleasurable activities in the days ahead? Yes
- 19. Where and with whom did he spend his last hours? Not known
- 20. Could the possibility of homicide disguised as suicide be ruled out? No

The police failed to follow the rule that they must treat a violent unattended death as a homicide until they find sufficient evidence to rule out that possibility. They disregarded or dismissed all the evidence that indicated his death was not suicide. Special prosecutor Robert B. Fiske, Jr. reopened the case after the Park Police investigation and verdict came under serious attack. Fiske showed that he had no desire to get the truth by (1) refusing to launch a grand jury investigation and (2) issuing a report that deliberately misrepresented and ignored the strongest evidence that absolved Foster of killing himself.

Why did he accept a bribe for suicide that had been ridiculed by the White House press corps and repudiated by the President's press secretary.

Will Kenneth Starr Find The Truth?

Independent counsel Kenneth Starr reopened the investigation of Foster's death last January, with witnesses being questioned before a grand jury for the first time. Miquel Rodriguez, Starr's assistant in charge of the grand jury investigation, was making significant progress when he abruptly resigned on March 20.

Christopher Ruddy, writing for The Pittsburgh Tribune-Review, reported that Rodriguez resigned because Starr's deputy, Mark H. Tuohey III, was interfering with his conduct of the probe. It described Tuohey as "close" to Associate Attorney General Jamie Gorelick.

Ruddy reported that Rodriguez had turned up "significant" new photographic evidence bearing on the case and "strong evidence" that the gun found in Foster's hand had been "moved or switched." He gave these reasons for Rodriguez's resignation:

- He was not permitted to subpoena all the witnesses he wanted, including independent experts outside the FBI.
- He was not permitted to call witnesses when he wanted them.
- He was asked to show witnesses new evidence in advance of being questioned.
- There were objections to his using services of forensic experts and laboratories not connected with the FBI.

Accuracy In Media, Inc.
4455 Connecticut Ave., N.W.
Washington, D.C. 20008
202-364-4401

- Was Rodriguez close to exposing a highly embarrassing coverup?
- Does his departure signal abandonment of any serious reinvestigation of Foster's death?
- Is it wrong to question witnesses about new evidence without telling them about it in advance?
- Should grand jury witnesses be given ample opportunity to coordinate their stories?
- Since the FBI has endorsed the reports being questioned, doesn't the use of outside experts make sense?

Your silence is an outrage. We think it is unconscionable for you to do nothing to expose what looks like a massive coverup. Why the silence?

A MESSAGE TO READERS OF THIS AD

We are running this ad because we are disgusted with the media blackout of the questions about Vince Foster's death. Please help us run ads like this in papers all over America. Unless there is a nationwide outcry demanding that the media tell the American people the truth, the coverup is likely to continue.

Send your tax deductible contribution today to help us defeat the media blackout.

MAIL THIS GRASSROOTS PETITION TODAY

Accuracy In Media, Dept. 1
 4455 Connecticut Ave., N.W.
 Washington, DC 20008

Yes, I think the American people are entitled to the whole story. Please run ads giving the facts about the Foster case all over America and distribute FREE copies of your report, "The Trial of Vincent Foster." Please keep the major media informed of the response you are getting.

My tax-deductible contribution to help fund this important effort is

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TELECOPY COVER SHEET

OFFICE OF THE INDEPENDENT COUNSEL
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Date: 5/24/95

TO: Hick

Company Name: _____

Fax Number: _____ Telephone Number: _____

FROM: Chuck

Number of Pages: 2 (including this cover sheet)

Message: _____

F.Y.I.

Chuck

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From: Chuck

To: Brett
John
Jeff

re: Taxonomist

I've obtained the services of a taxonomist from the National Arboretum to compare the plants at the first and second cannons at Ft. Marcy Park, per the "Scalice Report". Jeff and I will be taking her out to Ft. Marcy during the afternoon of Thursday, 6/1.

Chuck

The Washington Times

DATE: 5-24-95PAGE: A7

✓ Detective testifies on Foster office search

A U.S. Park Police detective testified before a federal grand jury yesterday as Whitewater prosecutors investigated whether a box of documents was removed from Vincent Foster's office the morning after his death.

Sgt. Pete Markland testified that White House attorneys rebuffed his efforts to search Mr. Foster's White House office in the days after Mr. Foster's body was found in a Virginia park, according to sources familiar with his testimony.

The sources said Sgt. Markland testified he was unable to gain access to Mr. Foster's office for two days.

From wire dispatches and staff reports

Grand jury turns to Foster files

Was barred from office after death, Park Police sergeant says

BY PETE YOST
Associated Press Writer

WASHINGTON — A U.S. Park Police sergeant testified before a federal grand jury Tuesday as Whitewater prosecutors investigated whether a box of documents was removed from Vincent Foster's office the morning after his death.

Pete Markland testified that White House lawyers rebuffed his efforts to search Foster's White House office in the days after Foster's body was found in a Virginia park, according to sources familiar with his testimony.

Also testifying to the grand jury was a Secret Service inspector, Dennis Martin, who accompanied Markland through the White House as Markland, a Park Police detective, tried to investigate Foster's death.

Martin and Markland declined to comment after their grand jury appearances.

But according to the sources, Markland testified that he went

to the White House intending to search Foster's office for a suicide note and instead was unable to gain access to the office for two days.

While waiting for permission to conduct a search, Markland interviewed a White House aide who a Secret Service officer had spotted carrying a box of documents off the West Wing's second floor the morning of July 21, 1993. That was little more than 12 hours after Foster's death. Foster's office was on the second floor.

Markland has said that the White House aide, Craig Livingstone, told him the documents hadn't come from Foster's office.

Whitewater prosecutors have been unable to determine where the box came from, where it was taken or what was in it, according to the sources, who are out-

side the prosecutor's office.

Livingstone said recently through his lawyer that he removed no box of documents from the White House that day.

When Markland and his partner in the death investigation, Capt. Charles Hume, were allowed to enter Foster's White House office two days after his death, they were not allowed to examine Foster's papers.

That task was taken over by White House counsel Bernard Nussbaum, who peered inside Foster's briefcase and, in Markland's presence, declared it empty.

Several days later, an aide to Nussbaum found a torn-up note by Foster in the bottom of the briefcase in which the deputy White House counsel complained about life in Washington and the criticism that public officials face.