

LYONS, JIM

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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: James M. Lyons

Company Name: _____

Fax Number: _____ Telephone Number: _____

FROM: Brett Kavanaugh

Number of Pages: 7 (including this cover sheet)

Message: _____

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*** ACTIVITY REPORT ***

TRANSMISSION OK

TX/RX NO. 7451

CONNECTION TEL 83036239222

CONNECTION ID

START TIME 07/17 19:06

USAGE TIME 05'08

PAGES 7

RESULT OK



Office of the Independent Counsel

1001 Pennsylvania Avenue, N.W.
Suite 490-North
Washington, D.C. 20004
(202) 514-8688
Fax (202) 514-8802

July 10, 1995

James M. Lyons
1200 17th Street, Suite 300
Denver, Colorado 80202

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

Dear Mr. Lyons:

I have received your letter of June 30, 1995. In this letter, I will respond to specific points you made; in so doing, I hope to cool the somewhat overheated rhetoric contained in your letter.

Third, we understand that two prior federal criminal investigations have concluded that Mr. Foster's death was a suicide. However, we were given jurisdiction to investigate Mr. Foster's death, and we consider it our obligation to do so. This Office's investigation of the Foster death has been ongoing for several months now, and therefore it is at best odd for you to suggest that the investigation was timed to coincide with the July 20 anniversary of Mr. Foster's death.

We do well appreciate, however, that each investigation of Mr. Foster's death causes continuing anxiety and pain for Mr. Foster's friends and family. We have tried therefore to complete our task as expeditiously as possible and in a fashion that causes the least possible disruption to Mr. Foster's family and friends. On the

other hand, however, it serves the interest of no one -- least of all, Mr. Foster's family and friends -- for us to compromise on the principle of thoroughness that animates all of our investigations. We believe it especially important in this most sensitive and delicate investigation to be as thorough as possible.

Finally, we cannot agree to the conditions you have imposed for a voluntary interview. It is our usual practice (consistent with Department of Justice practice) not to provide copies of 302's to witnesses. In this case, therefore, we must respectfully decline your request for a copy of the 302 of your prior interview. We do believe it necessary to interview you, however.

[Redacted]

Sincerely yours,

Brett M. Kavanaugh

Brett M. Kavanaugh
Associate Independent Counsel

Page Denied

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202
(303) 624-2546

July 17, 1995

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

via Facsimile

Brett M. Kavanaugh
Associate Independent Counsel
Office of Independent Counsel
1001 Pennsylvania Ave. N.W., Suite 490-N
Washington, D.C. 20004

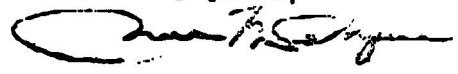
[Redacted]

Dear Mr. Kavanaugh:

Reference is made to my letter to you dated July 13, 1995. On Friday, July 14, after you received my letter by fax, I received a voicemail message from you indicating that your office would reconsider its position regarding my 302. I have not yet heard back from you.

[Redacted] Accordingly, please contact me immediately.

Very truly yours,



James M. Lyons

JML:dm

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SPECIAL COUNSEL
 MATTHEW J. GEBHART
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 NOT ADMITTED IN CALIFORNIA

TELECOPIER TRANSMITTAL SHEET

To: BRETT KAVANAUGH Fax No. 202 514-8802
 From: JIM LYONS
 Re: _____
 Date: 7/17/95 Client No. 19690-102

ADDITIONAL REMARKS:

We are transmitting 2 pages (including this page). If you have any problems receiving this fax, please contact our Services Department at (303) 623-9000, extension 321.

Thank you.

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*** ACTIVITY REPORT ***

RECEPTION OK

TX/RX NO. 7450

CONNECTION TEL 303 623 9222

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START TIME 07/17 17:32

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PAGES 2

RESULT OK



Office of the Independent Counsel

1001 Pennsylvania Avenue, N.W.
Suite 490-North
Washington, D.C. 20004
(202) 514-8688
Fax (202) 514-8802

June 23, 1995

James M. Lyons, Esq.
Rothgerber, Appel, Powers & Johnson
1200 17th Street
Suite 3000
Denver, Colorado 80202

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

Dear Mr. Lyons:

As I stated to you on the telephone, this Office also would like to interview you. You have stated that you are "not inclined" to submit to a voluntary interview, but that you plan to consult further with counsel about this matter. Please advise me as soon as possible whether you will agree to a voluntary interview.

Thank you for your cooperation. Please do not hesitate to contact me at (202) 514-8778 if you have any questions.

Sincerely yours,

Brett M. Kavanaugh

Brett M. Kavanaugh
Associate Independent Counsel

Attachment

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SENDER'S FEDERAL EXPRESS ACCOUNT NUMBER 1761-3023-7		Date 6-23-95
From (Your Name) Please Print Brett M. Kavanaugh		Your Phone Number (Very Important) (202) 514-8088
Company INDEPENDENT COUNSEL MGS&C		To (Recipient's Name) Please Print James M. Lyons, Esq.
Street Address 1001 PENN AVE NW STE 490-NORTH		Recipient's Phone Number (Very Imp) (303) 623-9000
City WASHINGTON DC		Department/Floor No. 303
State DC		Company Rothgerber, Appel, Powers & Johnson #3000
ZIP Required 20004		Exact Street Address (We Cannot Deliver to P.O. Boxes or P.O. Zip Codes.) 1200 17th Street
YOUR INTERNAL BILLING REFERENCE INFORMATION (optional) (First 24 characters will appear on invoice.)		City Denver
IF HOLD AT FEDEX LOCATION, Print FEDEX Address Here		State CO
PAYMENT 1 <input type="checkbox"/> Bill Sender 2 <input type="checkbox"/> Bill Recipient's FedEx Acct. No. 3 <input type="checkbox"/> Bill 3rd Party FedEx Acct. No. 4 <input type="checkbox"/> Bill Credit Card		ZIP Required 80202
5 <input type="checkbox"/> Cash/Check 6 <input type="checkbox"/> Acct./Credit Card No. Exp. Date		
4 SERVICES (Check only one box)		5 DELIVERY AND SPECIAL HANDLING (Check services required)
Priority Overnight (Delivery by next business morning) 11 <input type="checkbox"/> OTHER PACKAGING 16 <input type="checkbox"/> FEDEX LETTER* 12 <input type="checkbox"/> FEDEX PAK* 13 <input type="checkbox"/> FEDEX BOX 14 <input type="checkbox"/> FEDEX TUBE Economy Two-Day (Delivery by second business day 1) 30 <input type="checkbox"/> ECONOMY* *Economy Letter Rate not available. Minimum charge: One pound Economy rate. Freight Service (for packages over 150 lbs.) 70 <input type="checkbox"/> OVERNIGHT FREIGHT** (Confirmed reservation required) † Delivery commitment may be later in some areas.	Standard Overnight (Delivery by next business afternoon. No Saturday delivery) 51 <input type="checkbox"/> OTHER PACKAGING 56 <input type="checkbox"/> FEDEX LETTER* 52 <input type="checkbox"/> FEDEX PAK* 53 <input type="checkbox"/> FEDEX BOX 54 <input type="checkbox"/> FEDEX TUBE Government Overnight (Restricted for authorized users only) 46 <input type="checkbox"/> GOVT LETTER 41 <input type="checkbox"/> GOVT PACKAGE 80 <input type="checkbox"/> TWO-DAY FREIGHT** **Declared Value Limit \$500. Call for delivery schedule.	6 PACKAGES: WEIGHT In Pounds Only YOUR DECLARED VALUE (See right) 1 <input type="checkbox"/> HOLD AT FEDEX LOCATION WEEKDAY (Fill in Section H) 2 <input checked="" type="checkbox"/> DELIVER WEEKDAY Saturday Service 31 <input type="checkbox"/> HOLD AT FEDEX LOCATION SATURDAY (Fill in Section H) 3 <input type="checkbox"/> DELIVER SATURDAY (Extra charge) (Not available to all locations) 9 <input type="checkbox"/> SATURDAY PICK-UP (Extra charge) Special Handling 4 <input type="checkbox"/> DANGEROUS GOODS (Extra charge) 6 <input type="checkbox"/> DRY ICE Dangerous Goods Shipper's Declaration not required Dry Ice: 9 UN 1845, X kg. 904 III 12 <input type="checkbox"/> HOLIDAY DELIVERY (if offered) (Extra charge) DIM SHIPMENT (Chargeable Weight) L X W X H Received At: 1 <input type="checkbox"/> Regular Stop 3 <input type="checkbox"/> Drop Box 2 <input type="checkbox"/> On-Call Stop 4 <input type="checkbox"/> B.S.C. 5 <input type="checkbox"/> Station
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Office of the Independent Counsel

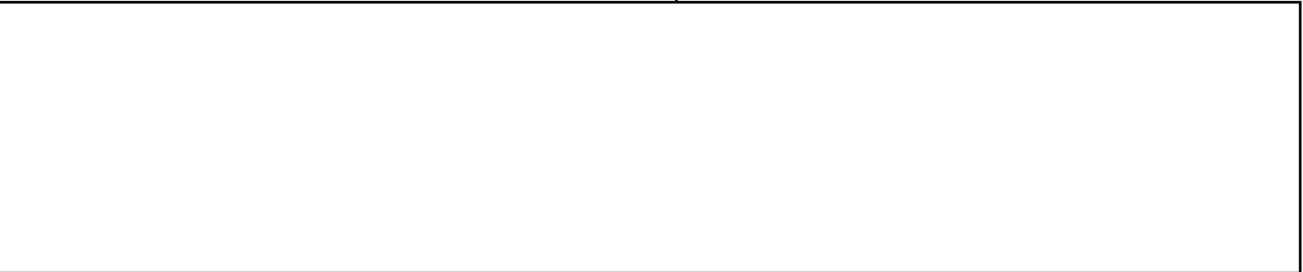
1001 Pennsylvania Avenue, N.W.
Suite 490-North
Washington, D.C. 20004
(202) 514-8688
Fax (202) 514-8802

June 23, 1995

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

James M. Lyons, Esq.
Rothgerber, Appel, Powers & Johnson
1200 17th Street
Suite 3000
Denver, Colorado 80202

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Thank you for your cooperation. Please do not hesitate to contact me at (202) 514-8778 if you have any questions.

Sincerely yours,

Brett M. Kavanaugh

Brett M. Kavanaugh
Associate Independent Counsel

Attachment

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Office of the Independent Counsel

1001 Pennsylvania Avenue, N.W.
Suite 490-North
Washington, D.C. 20004
(202) 514-8688
Fax (202) 514-8802

June 23, 1995

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

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Rothgerber, Appel, Powers & Johnson
1200 17th Street
Suite 3000
Denver, Colorado 80202

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Brett M. Kavanaugh

Brett M. Kavanaugh
Associate Independent Counsel

Attachment

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Memorandum

Office of the Independent Counsel

To : BRETT KAVANAUGH
ASSOCIATE INDEPENDENT COUNSEL

Date 3/10/95

From : [redacted]

FOIA(b)(7) - (C)

Subject: INTERVIEW OF JAMES M. LYONS

On 3/9/95, I received the attached letter from Agent [redacted]. The letter is a request from JIM LYONS to receive a copy of his 302 which reported the results of an interview of LYONS conducted by [redacted] on 5/12/95. LYONS' request is made pursuant to the release of FBI 302s to the National Archives. LYONS has also made a request that a clarification be made regarding comments related to ethical concerns FOSTER may have had in handling certain matters within the White House Counsel's Office.

In view of the request made by LYONS, I felt this matter needed to be brought to your attention. It is suggested that the office forward a letter to LYONS with a copycount to [redacted] advising him that [redacted] is no longer assigned to the Office of the Independent Counsel. The Office of the Independent Counsel needs to make a determination regarding advising LYONS that we will not provide him with a copy of the 302 and that we might consider a reinterview of LYONS to clarify any points from his previous interview. No further action will be taken by the investigative staff and we can discuss further if deemed necessary.

- 2 - OIC, WDC
- ① - KAVANAUGH
- 1 - GILLIS

DMG:sla
(2)

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202
(303) 628-9546

February 16, 1995

FOIA(b)(7) - (C)

[redacted]
Supervisory Special Agent
Federal Bureau of Investigation
10th Street and Pennsylvania Avenue N.W.
Washington, D.C. 20535

Re: Vincent W. Foster, Jr. (deceased)

Dear [redacted]

Recently I have had occasion to review a partial transcript of the interview which I gave you in Washington, D.C. on May 12, 1994, regarding the suicide of Vincent W. Foster, Jr. In this connection, the partial transcript (FD-302) has apparently been made public and is generally available through the Archives of the United States. Under the circumstances, I respectfully request that an entire and complete transcription of my interview be furnished to me as soon as possible.

In reviewing the partial transcript, I note a matter which deserves some clarification. On page 4, a statement is made as follows:

"Foster believed that private sector attorneys should be handling many of the matters they were handling, both for ethical and work load reasons."

This statement, in the context made, particularly on pages 4 and 5, is, of course, not a quotation or attributed to me as such, nor was the interview recorded. Nevertheless, in the interests of clarification, you should understand that it was and is my recollection that Mr. Foster did express his professional concerns arising from the difficult circumstances under which work was expected to be performed by the Office of White House Counsel, especially with staff significantly less than that of the previous Administration. The Rules of Professional Conduct for attorneys require that attorneys provide competent representation, including the thoroughness, separation and diligence reasonably necessary under the circumstances. See, for example, Rules 1.1 and 1.3 of

[REDACTED]
Supervisory Special Agent
Federal Bureau of Investigation
February 16, 1995
Page 2

the Model Rules of Professional Conduct of the American Bar Association. Indeed, these Rules of Professional Conduct or ethics clearly direct that "a lawyer's workload should be controlled so that each matter can be handled adequately". Comment, Rule 1.3, ABA Model Rules. It was in this context and sense that I recall Mr. Foster expressed his concerns to me. I do not believe that Mr. Foster meant to express or imply any other concerns of ethics related to the Office of White House Counsel. Frankly, I do not believe that I used the word "ethics" at all, but if I did it was in this context of professional responsibilities.

I would appreciate your acknowledging this clarification and including it in the transcript of my interview. At such time as I have an opportunity to review the entire and complete transcript, I will bring to your attention any other matters which I deem noteworthy.

Sincerely,



James M. Lyons

JML:kw

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202



FOIA(b)(7) - (C)

3837

[Redacted]

Supervisory Special Agent
Federal Bureau of Investigation
10th Street and Pennsylvania Avenue N.W.
Washington, D.C. 20535



Lyons

6/20/95

called + left message

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202
(303) 628-9546

June 30, 1995

Brett M. Kavanaugh
Associate Independent Counsel
Office of Independent Counsel
1001 Pennsylvania Ave. N.W.
Washington, D.C. 20004

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

Dear Mr. Kavanaugh:

I remain unwilling to provide a "voluntary interview" unless (1) you first provide me a copy of the Form 302 (summary of interview) from my previous interview by Special Agent [redacted] on May 12, 1994, and (2) specifically set forth in writing what additional areas of inquiry you now wish to pursue. If these

FOIA(b)(7) - (C)

Brett M. Kavanaugh
Associate Independent Counsel
June 30, 1995
Page 2

conditions are not acceptable to you, I respectfully decline your request for an interview.

Furthermore, I cannot help but note that your interest in the circumstances of Mr. Foster's suicide comes after a thorough investigation and unequivocal conclusion reached by your predecessor, Mr. Fiske. The interest of your office in his suicide also seems timed to coincide with the second anniversary of Mr. Foster's passing. Under these circumstances, I am skeptical of any real need for further information from me but will respond as set forth herein.

Very truly yours,



James M. Lyons

JML:dm

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JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202



Brett M. Kavanaugh
Associate Independent Counsel
Office of Independent Counsel
1001 Pennsylvania Ave. N.W.
Washington, D.C. 20004

20004-2502 05





Office of the Independent Counsel

1001 Pennsylvania Avenue, N.W.
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Fax (202) 514-8802

July 10, 1995

James M. Lyons
1200 17th Street, Suite 300
Denver, Colorado 80202

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

Dear Mr. Lyons:

I have received your letter of June 30, 1995. In this letter, I will respond to specific points you made; in so doing, I hope to cool the somewhat overheated rhetoric contained in your letter.

Third, we understand that two prior federal criminal investigations have concluded that Mr. Foster's death was a suicide. However, we were given jurisdiction to investigate Mr. Foster's death, and we consider it our obligation to do so. This Office's investigation of the Foster death has been ongoing for several months now, and therefore it is at best odd for you to suggest that the investigation was timed to coincide with the July 20 anniversary of Mr. Foster's death.

We do well appreciate, however, that each investigation of Mr. Foster's death causes continuing anxiety and pain for Mr. Foster's friends and family. We have tried therefore to complete our task as expeditiously as possible and in a fashion that causes the least possible disruption to Mr. Foster's family and friends. On the

other hand, however, it serves the interest of no one -- least of all, Mr. Foster's family and friends -- for us to compromise on the principle of thoroughness that animates all of our investigations. We believe it especially important in this most sensitive and delicate investigation to be as thorough as possible.

Finally, we cannot agree to the conditions you have imposed for a voluntary interview. It is our usual practice (consistent with Department of Justice practice) not to provide copies of 302's to witnesses. In this case, therefore, we must respectfully decline your request for a copy of the 302 of your prior interview. We do believe it necessary to interview you, however.

[Redacted]

[Redacted]

Sincerely yours,

Brett M. Kavanaugh

Brett M. Kavanaugh
Associate Independent Counsel

Page Denied

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202
(303) 628-9546

June 30, 1995

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

Brett M. Kavanaugh
Associate Independent Counsel
Office of Independent Counsel
1001 Pennsylvania Ave. N.W.
Washington, D.C. 20004

Dear Mr. Kavanaugh:

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Brett M. Kavanaugh
Associate Independent Counsel
June 30, 1995
Page 2

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Very truly yours,



James M. Lyons

JML:dm

Page Denied



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(202) 514-8688
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July 10, 1995

James M. Lyons
1200 17th Street, Suite 300
Denver, Colorado 80202

FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

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[Redacted]

[Redacted]

Sincerely yours,

Brett M. Kavanaugh

Brett M. Kavanaugh
Associate Independent Counsel

Page Denied

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202
(303) 628-9546

July 13, 1995

Via Facsimile and U.S. Mail

Brett M. Kavanaugh
Associate Independent Counsel,
Office of Independent Counsel
1001 Pennsylvania Ave. N.W., Suite 490-N
Washington, D.C. 20004

[Redacted]

Dear Mr. Kavanaugh:

[Redacted]

Frankly, I see no purpose to be served by addressing your claims of propriety and sensitivity for Mr. Foster's family and friends. However, I am skeptical that your investigation into his suicide is motivated by "principles of thoroughness" in the face of two prior federal criminal investigations which even you concede concluded that his death was, in fact, a suicide.

With respect to the 302 of my prior interview with the FBI, you apparently are unaware that substantial portions of this 302 were apparently provided by the FBI to Congress sometime last year. My 302 was then apparently deposited on public file at the Archives of the United States, where it was obtained by a reporter and used as the basis for a news story (see attached). This prompted a letter of clarification from me to [Redacted] (attached) to which I never received any response.

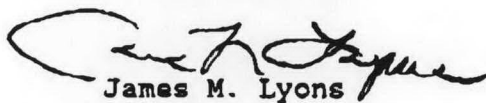
FOIA(b)(7) - (C)

Whether consistent with "usual practice of the Department of Justice" or not, my 302 in substantial part has been furnished to third parties and placed in the public domain. Under the circumstances, I cannot appreciate or understand your reluctance to

Brett M. Kavanaugh
Associate Independent Counsel
July 13, 1995
Page 2

furnish the entire 302 to me prior to any voluntary interview or grand jury appearance. I request you reconsider your position and promptly furnish the entire 302. If you remain unwilling to do so, please advise me immediately so that I can bring this matter to the attention of the United States District Court in an appropriate and timely manner.

Very truly yours,


James M. Lyons

JML:dm

Depositions, Interviews Hint at Foster's Worries

Ethics May Have Troubled White House Lawyer

By Susan Schmidt
Washington Post Staff Writer

In the weeks before his suicide, Vincent Foster believed that the White House counsel's office was doing work it shouldn't be doing, his friend James Lyons told the FBI last May. Foster believed that private sector attorneys should be handling many of the matters they were handling, both for ethical and workload reasons, said the FBI's summary of the Lyons interview.

That interview may partly explain why independent counsel Kenneth W. Starr still wants to look into Foster's death, the subject of lengthy inquiries by his predecessor and a Senate committee. Every official inquiry into the deputy White House counsel's death has concluded he killed himself, but the question of what troubled him so deeply lingers on.

Buried within thousands of pages of depositions and FBI interviews of Clinton administration officials made public by Congress this month are a few hints, like the comments from Lyons, that Foster might have been worried about the ethics of some work handled by the counsel's office. Those suggestions, coupled with unresolved issues surrounding the administration's handling of Foster's office files after his death, pose continuing questions for Starr as he conducts an investigation of the multifaceted Whitewater matter.

In addition to Foster's death, an aspect of Starr's probe that recently has come to light is an examination of Bill Clinton's gubernatorial campaigns in Arkansas from the 1980s through 1990 and allegations that Clinton campaign workers gave thousands of dollars in cash to black ministers with the understanding

workers to make room for Clinton cronies, even going so far as calling the FBI in to investigate the employees.

All the investigations to date have said concern over the travel office matter was a chief cause of Foster's anxiety. The Justice Department was preparing to make its report on the affair, and Foster, fearing that there would be congressional hearings, had begun discussions with Lyons and other lawyers about serving as his personal attorney.

Foster also was working on personal legal matters for the president and Hillary Rodham Clinton, including placing their assets in a blind trust, selling off their half-interest in the Whitewater Development Co. and filing three years of delinquent tax returns for the Arkansas land development company.

The Senate documents show that the independent counsel's office has tried to learn whether Foster was worried about handling Whitewater matters or about fielding several private offers that came to the Clintons offering property for a presidential retreat, an idea Clinton said in his deposition he wasn't sure was appropriate.

Starr has now secured the cooperation of Hubbell, the former associate attorney general, in his investigation.

Last month, Hubbell pleaded guilty to fraud and tax charges in connection with overbilling at the Rose Law Firm, where he, Foster and Hillary Clinton were partners. As part of his plea, Hubbell agreed to cooperate with Starr's investigation.

One key question that Hubbell may be able to answer is whether Foster knew about the Resolution

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dence that Whitewater matters played any role. But wild conspiracy theories suggesting that Foster was murdered or his body was moved have abounded since the suicide.

Starr said he will review Fiske's findings and render his own "independent judgment" on Foster's death. In recent weeks, his office has called police and rescue officials before a grand jury in what some lawyers familiar with the proceedings say appears to be an effort to air all contradictory accounts and put the conspiracy theories to rest.

Some congressional Republicans complained that Fiske did not fully explore the question of whether Foster might have been aware of Whitewater issues then simmering outside public view. Could he have learned what the Justice Department was doing on Madison through Hubbell, they ask, or from his own boss, then-White House counsel Bernard Nussbaum?

A top RTC official testified last summer that in March 1993—two months into the new administration—he briefed then-Deputy Treasury Secretary Roger C. Altman about the Clintons' being named in the Madison criminal investigation. Altman testified he didn't recall that briefing, but White House documents turned over to the Senate show that he immediately had old news clippings on Madison filed to Nussbaum. Nussbaum testified that he did not recall getting the material or being told by Altman about the Madison probe.

Foster completed work on the Whitewater tax returns in June. Madison appeared on his screen in another way around this time, when his office got letters from Arkansas two senators questioning the RTC's

The Washington Post Report, January 30, 1995

JML 2499

ministers with the understanding they would endorse Clinton and get out the vote. White House senior adviser Bruce Lindsey has defended the practice, calling the cash payments "traditional, legal and publicly reported."

The document archive on Foster released this month by the Senate Banking Committee is in part a collection of impressions about his final days. It is clearly a portrait of a proud man and careful lawyer who followed Clinton from Little Rock to the White House and was soon humiliated by bad press and his own missteps.

Although his family and many White House co-workers recognized Foster was becoming deeply anxious over his work in Washington, his best friend, Webster L. Hubball, and Clinton both said in interviews with investigators that they did not realize Foster was under so much stress in his job.

In the months before his death, Foster and others in the White House counsel's office had been accused of trying to gin up charges against seven longtime travel offices

Trust Corp.'s 21-page request for a criminal investigation of Madison Guaranty Savings & Loan that languished for months at the Justice Department. The referral outlined a suspected check-kiting scheme, naming both Clintons as potential witnesses and suggesting the 1984 Clinton campaign committee be investigated.

Starr is looking into whether the criminal referral was properly handled within the Justice Department and in the Little Rock office of U.S. Attorney Paula Casey, a former Clinton campaign volunteer who ultimately declined to pursue it, and whether the White House in any way interfered with its handling.

Last June, it seemed that the questions surrounding Foster's death would be put to rest when Starr's predecessor, special counsel Robert B. Fiske Jr., concluded his investigation with a report that said Foster took his own life because he was deeply depressed over his work in Washington, particularly about criticism he and his colleagues were getting over the firing of travel office employees. Fiske found no evi-

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Hubball told the FBI last spring that he stopped by to see Foster in his office the day before Foster died.

"When asked if there may be any stress associated with working on Whitewater tax returns, Hubball answered that he was not sure—Vince never mentioned this as a point of stress," said the FBI summary.

Work on Whitewater's finances was something Foster did have in common with his friend Jim Lyons, who handled Whitewater issues for Clinton when they arose during the campaign. Lyons, a Denver attorney, had spent a lot of time in Little Rock. He and Foster became friendly and talked often after Foster joined the White House staff.

Lyons told the FBI he believed the travel office matter, not Whitewater, was the main source of Foster's concern.

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THE WASHINGTON POST MONDAY, JANUARY 30, 1995

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Foster and his wife got away that weekend to the Eastern Shore with the Hubbells and another couple, the Cardenas. Michael Cardenas, an investment banker, recently has overseen Clinton's legal defense fund.

When he returned home that Sunday night, Foster called Lyons. Lyons said Foster told him he had had a great weekend, though Lisa Foster told the U.S. Park Police the weekend "had not gone particularly well."

Lyons agreed to travel to Washington and meet with Foster for dinner Wednesday.

On Monday, the evening before his death, Foster got a call at home from the president, who asked Foster to return to the White House and join him for a movie with Hubbell and another of Clinton's close Arkansas friends, presidential adviser Bruce Lindsey.

Foster said no. He was home early for a change, and he desperately needed time away from the pressure cooker of the White House.

Instead of joining his old friends that Monday night, Foster agreed to Clinton's request for a meeting on Wednesday, two days later, to discuss "operational problems" in the White House, Clinton said in a deposition given to Fiske last June.

In his interview, Clinton was asked whether anyone questioned whether it was appropriate for Foster to be working on personal matters for the Clinton. Clinton said no one had.

Whitewater Probe Includes Variety of Principals, Issues

Independent counsel Kenneth W. Starr has been given a broad mandate to look into financial matters concerning President Clinton, an investigation that was prompted by Clinton's investment in the Whitewater Development Corp. while he was governor of Arkansas.

Two grand juries—one in Washington and one in Little Rock—are taking testimony.

The investigation was initially undertaken by Robert B. Fiske Jr., a special prosecutor named by Attorney General Janet Reno because the independent counsel

Whether Medison and other financial institutions in Arkansas made improper loans or contributions to Clinton's gubernatorial campaign. Payments made by the Clinton campaign are also being scrutinized.

The relationship of Medison to the Rose Law Firm, in which Hillary Clinton was a partner.

Other financial institutions, loans and transactions involving Clinton and other Arkansas politicians, including current Gov. Jim Gray Tucker (D).

Whether there were any

JML 2501

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Clinton said he was aware that Foster was evaluating offers of property from various people for a presidential retreat.

Said Clinton: "When I came up here, there were any number of people who thought they ought to—various communities in the state ought to have presidential retreats of some kind, and there were all these ideas. And I wasn't sure any of it was appropriate. So he was asked to just collect and evaluate the proposals. . . . I just wanted to make sure that we had lodged them in a place and that if we turned them down we could say that it was an appropriate thing to do, legally appropriate, given my position as president."

by Attorney General Janet Reno because the independent counsel law had lapsed. When the law was reinstated, a three-judge panel replaced Fiske with Starr.

Among the areas of investigation:

-The Whitewater investment itself that Clinton and his wife, Hillary Rodham Clinton, made with James R. McDougal and his then-wife, Susan. McDougal was the owner of Madison Guaranty Savings & Loan, a now-defunct institution that was regulated by the state of Arkansas.

-Whether there were any attempts by the White House to impede regulators or the Justice Department in pursuing Madison Guaranty and its failure.

-The legality of certain contacts between White House and Treasury Department officials in 1993 and 1994 concerning the investigation of Madison.

-The 1993 suicide of White House deputy counsel Vincent Foster and the handling of documents in Foster's office that related to the Whitewater corporation.

45

JML 2502

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202
(303) 628-9848

February 16, 1995

FOIA(b)(7) - (C)

[REDACTED]
Supervisory Special Agent
Federal Bureau of Investigation
10th Street and Pennsylvania Avenue N.W.
Washington, D.C. 20535

Re: Vincent W. Foster, Jr. (deceased)

Dear [REDACTED]

Recently I have had occasion to review a partial transcript of the interview which I gave you in Washington, D.C. on May 12, 1994, regarding the suicide of Vincent W. Foster, Jr. In this connection, the partial transcript (FD-302) has apparently been made public and is generally available through the Archives of the United States. Under the circumstances, I respectfully request that an entire and complete transcription of my interview be furnished to me as soon as possible.

In reviewing the partial transcript, I note a matter which deserves some clarification. On page 4, a statement is made as follows:

"Foster believed that private sector attorneys should be handling many of the matters they were handling, both for ethical and work load reasons."

This statement, in the context made, particularly on pages 4 and 5, is, of course, not a quotation or attributed to me as such, nor was the interview recorded. Nevertheless, in the interests of clarification, you should understand that it was and is my recollection that Mr. Foster did express his professional concerns arising from the difficult circumstances under which work was expected to be performed by the Office of White House Counsel, especially with staff significantly less than that of the previous Administration. The Rules of Professional Conduct for attorneys require that attorneys provide competent representation, including the thoroughness, separation and diligence reasonably necessary under the circumstances. See, for example, Rules 1.1 and 1.3 of

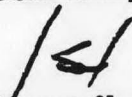
FOIA(b)(7) - (C)

[REDACTED]
Supervisory Special Agent
Federal Bureau of Investigation
February 16, 1995
Page 2

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I would appreciate your acknowledging this clarification and including it in the transcript of my interview. At such time as I have an opportunity to review the entire and complete transcript, I will bring to your attention any other matters which I deem noteworthy.

Sincerely,


James M. Lyons

JML:kw

cc: Hal Haddon
David Kendall

JAMES M. LYONS
1200 17TH STREET, SUITE 3090
DENVER, COLORADO 80202
(303) 628-9546

July 13, 1995

Via Facsimile and U.S. Mail

Brett M. Kavanaugh
Associate Independent Counsel
Office of Independent Counsel
1001 Pennsylvania Ave. N.W., Suite 490-N
Washington, D.C. 20004

Re: Subpoena to testify dated July 10, 1995

Dear Mr. Kavanaugh:

Frankly, I see no purpose to be served by addressing your claims of propriety and sensitivity for Mr. Foster's family and friends. However, I am skeptical that your investigation into his suicide is motivated by "principles of thoroughness" in the face of two prior federal criminal investigations which even you concede concluded that his death was, in fact, a suicide.

With respect to the 302 of my prior interview with the FBI, you apparently are unaware that substantial portions of this 302 were apparently provided by the FBI to Congress sometime last year. My 302 was then apparently deposited on public file at the Archives of the United States, where it was obtained by a reporter and used as the basis for a news story (see attached). This prompted a letter of clarification from me to [redacted] (attached) to which I never received any response.

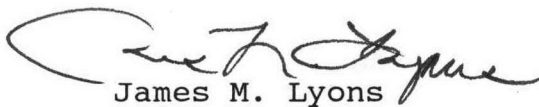
FOIA(b)(7) - (C)

Whether consistent with "usual practice of the Department of Justice" or not, my 302 in substantial part has been furnished to third parties and placed in the public domain. Under the circumstances, I cannot appreciate or understand your reluctance to

Brett M. Kavanaugh
Associate Independent Counsel
July 13, 1995
Page 2

furnish the entire 302 to me prior to any voluntary interview or grand jury appearance. I request you reconsider your position and promptly furnish the entire 302. If you remain unwilling to do so, please advise me immediately so that I can bring this matter to the attention of the United States District Court in an appropriate and timely manner.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James M. Lyons".

James M. Lyons

JML:dm

Depositions, Interviews Hint at Foster's Worries

Ethics May Have Troubled White House Lawyer

By Susan Schmidt
Washington Post Staff Writer

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THE WASHINGTON POST REPORT, JANUARY 30, 1995

JML 2499

CH#35806 CURTS 16 2024 DocId: 70105010 Page 75

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THE WASHINGTON POST MONDAY, JANUARY 30, 1995

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JML 2501

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Clinton said he was aware that Foster was evaluating offers of property from various people for a presidential retreat.

Said Clinton: "When I came up here, there were any number of people who thought they ought to—various communities in the state ought to have presidential retreats of some kind, and there were all these ideas. And I wasn't sure any of it was appropriate. So he was asked to just collect and evaluate the proposals. . . . I just wanted to make sure that we had lodged them in a place and that if we turned them down we could say that it was an appropriate thing to do, legally appropriate, given my position as president."

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45

JAMES M. LYONS
1200 17TH STREET, SUITE 3000
DENVER, COLORADO 80202
(303) 628-9546

February 16, 1995

FOIA(b)(7) - (C)

[REDACTED]
Supervisory Special Agent
Federal Bureau of Investigation
10th Street and Pennsylvania Avenue N.W.
Washington, D.C. 20535

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JML:kw

bcc: Hal Haddon
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