[Loose papers in Ewing box 2291 re Foster]

1 of 4

SCREENED
By dlp Date 11/18/2009
NW25720 NND 39718

FOIA # none (URTS 16371) DocId: 70105752 Page 1

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ONE HUNDRED FOURTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
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INDEPENDENT

MAJORITY—(202) 225–5074
MINORITY—(202) 225–5051

November 8, 1995

John Bates
Office of the Special Counsel
1001 Pennsylvania Avenue, N.W., #490-N
Washington, D.C. 20004

Dear Mr. Bates:

At two separate meetings arranged by U.S. Rep. Dan Burton, I recently met with Mr. Patrick Knowlton and the so-called "Confidential Witnesses" to discuss their statements to investigators. In both meetings, these individuals told me that the initial statements they made to FBI investigators were distorted in subsequent FBI reports. Specifically, while Mr. Knowlton told FBI investigators he would be able to recognize an individual he saw in Fort Marcy Park, the FBI reported that he said he could not do so. Similarly, the "Confidential Witness" indicated that he distinctly remembers the position of Mr. Foster's hands and the absence of a gun. He contends his statements were not accurately reflected in the FBI reports.

Both instances suggest investigators may have misrepresented statements by material witnesses in order to support a predetermined conclusion. I wanted to be sure this information was brought to your attention.

I thank you again for your cooperation in this matter.

Sincerely,

Steven Schiff
Vice Chairman

Office of the Independent Counsel

Two Financial Centre
10825 Financial Centre Parkway, Suite 134
Little Rock, Arkansas 72211
(501) 221-8700
Fax (501) 221-8707

Brett called –

⊙ Henry Lee found gunpowder inside the oven mitt.

⊙ Lead, antimony, & barium "gun shot residue"

a gun had been in the mitt –

To: J. Bates
H. Ewing
B. Kavanaugh
J. Clementa
C. Copeland

Date: Tue, 9 Apr 1996 19:52:17 -0700
From: Stephen Bates <[redacted]>
To: [redacted]
Newsgroups: alt.current-events.clinton.whitewater
Subject: (fwd) Sprunt To Appear On CBN News Foster Segment To Air April 26

Xref: netcom.com alt.current-events.clinton.whitewater:40789
Path: netcom.com!csus.edu!druid.borland.com!news.sprintlink.net!newsfeed.interne
From: hsprunt@aol.com (HSprunt)
Newsgroups: alt.current-events.clinton.whitewater
Subject: Sprunt To Appear On CBN News Foster Segment To Air April 26
Date: 3 Apr 1996 13:38:04 -0500
Organization: America Online, Inc. (1-800-827-6364)
Lines: 18
Sender: root@newsbf02.news.aol.com
Message-ID: <4jugic$m2a@newsbf02.news.aol.com>
NNTP-Posting-Host: newsbf02.mail.aol.com
X-Newsreader: AOL Offline Reader

Dale Hurd, the CBN reporter on the segment, emailed me today and indicated that the Foster-related segment I was taped for in DC thirteen days ago will air on April 26th.
This apepars to be a "hard date," but anything can happen in TV, I guess.

I do not know how long the entire segment will be nor how long I will appear.

We taped me for about 150+ minutes and covered a huge amount of ground. I assume that one component of the segment will include what I had to say about Blood Sport.

Will let you know more if I learn more in advance of the show.

Warm regards,
Hugh Sprunt

FOIA(b)6

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL # of pages ► 3

To	From
HICKEWING	NEILLE RUSSELL
Dept./Agency OIC LR	Phone #
Fax # 501-221-8707	Fax #

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

Screened

By: David Paynter Date: 11-18-2009

Date: Tue, 9 Apr 1996 20:08:04 -0700
From: Stephen Bates [redacted]
To: [redacted]
Newsgroups: alt.current-events.clinton.whitewater
Subject: (fwd) Re: Foster Death Gun

Xref: netcom.com alt.current-events.clinton.whitewater:40836
Path: netcom.com!ix.netcom.com!howland.reston.ans.net!newsfeed.internetmci.com!i
From: hsprunt@aol.com (HSprunt)
Newsgroups: alt.current-events.clinton.whitewater
Subject: Re: Foster Death Gun
Date: 8 Apr 1996 13:17:22 -0400
Organization: America Online, Inc. (1-800-827-6364)
Lines: 45
Sender: root@newsbf02.news.aol.com
Message-ID: <4kbhn2$4u@newsbf02.news.aol.com>
References: <4kagod$mmi@newsbf02.news.aol.com>
NNTP-Posting-Host: newsbf02.mail.aol.com
X-Newsreader: AOL Offline Reader

FOIA(b)6

In article <4kagod$mmi@newsbf02.news.aol.com>, [redacted]
(AllanF8702) writes:

>Is there any information available about the identity of the FBI agent(s)
>who apparently showed Lisa Foster a "silver" gun? Where are they now?
>Has anybody talked to them about this gun color problem? Has anybody
>talked to the OIC about talking to these FBI agents(s) about this?

I spoke with Coy Copeland (ex-FBI) and another OIC person on Monday March 25th at the OIC in DC. I was treated quite nicely as I indicated a couple of weeks ago in my posts on the meeting.

One of the items covered in that meeting was the sequence of items in Lisa Foster's FBI info that appears to indicate (unless Lisa can't tell the difference between "silver" and "black") that the FBI showed Lisa a "silver" gun (meaning, apparently a nickel plated gun).

Coy alluded (off the record, though we officially never went off the record since I was told the OIC can't go "off the record") to an explanation for this seeming inconsistency, but it was cryptic and didn't make much sense to me.

As to the FBI agents who interviewed Lisa Foster -- Can help you some, but not that much. Here goes:

The interview took place on 5/9/94. The agents'' notes were not transcribed until 5/16/94. Lisa was interviewed in the offices of James Hamilton, her attorney. Also participating in the interview was Rod Lankler, Fiske's Deputy Counsel. Lisa Foster was advised as to the ID's of the interviewing FBI agents, but the agents were not named in the typed interview report (this is typical and traditional).

If I had to guess, I would say the agents were Colombel and Monroe, but that is merely because they did a lot of interviewing of witnesses (they were the two that interviewed Pat Knowlton a couple of days after the Foster interview -- that was Knowlton's second FBI interview, on the 11th).

I faxed Mike Rivero four pages of the FBI Handwritten interview notes obtained via Chris Ruddy's FOIA suit in early March. These pages center

FOIA# FOIA(URIS 16371)Docid:70105752 Page 5

on "the gun." Mike may put them up on his web page -- just faxed these pages to him this morning.

Warm regards,
Hugh Sprunt

MEMORANDUM

Date: March 19, 1996

From: W. Hickman Ewing, Jr.

To: File

Subject: Chris Ruddy

On Friday afternoon March 15, 1996, while driving back from the courthouse to the OIC, I was listening to Memphis radio station, am 640. I heard Chris Ruddy being interviewed by Marlin Maddox, a talk show host.

I joined the program at a time when Maddox was saying that for a court of appeals to remove a federal judge from hearing a case further was a pretty drastic step. He made the point that this is all part of the good-ol-boy network.

Ruddy agreed with him, but then proceeded to say nothing good about Ken Starr and the Independent Counsel's office. He said that the fact that Judge Woods was a friend of the Clintons was known to Ken Starr before Judge Woods heard the motion, and perhaps he should have been removed then. He said this was another sign of Starr's mishandling of the whole investigation.

He then said that he had talked to someone who had been watching the trial proceedings of the case against the McDougal's and Tucker. He said his source told him that it was not going well for the government.

Ruddy then pointed out that the lead prosecutor in the case was Ray Jahn, the same person who tried the Branch Davidions for the Clinton administration. He also said that the Jahn's had worked at one point for former FBI Director, William Sessions and that they were let go because of their efforts to undermine Judge Sessions.

[It should be noted that Ruddy has recently release his book about Vince Foster. I heard in a "promo" that former FBI Director William Sessions had said that this was a very good book.]

Ruddy also said that he had written a prior column about the Jahns. [He had told me some months ago some things he had heard about the Jahns.]

Screened

By: David Paynter Date: 11-18-2009

4-11-95

Adviser Key — (he in LR; BE in WDC)

1) Kennedy - WDC - I will stay for [redacted]

2) Anthonys, Bowman - OK - will fill him in on 4-12

3) ADFA - NO GJ live yet -

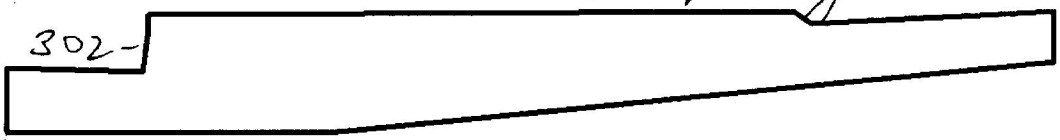
FOIA(b)3 - Rule 6(e), Federal Rules of Criminal Procedure, Grand Jury

4/10/95

BK advised me that Mark Tousley had provided Jim Hamilton, Attorney, copies of the entire 302's of -

- Lisa Foster
- Beryl Anthony
- Sheila Anthony
- Sharon Bowman

BK said Hamilton will probably be mad abt the redacted part of the 302-



[I saw copies of Lisa's 302 in Hamilton's possession on 4-7. I had assumed JH got it from public record/archives. He said several things in the 302 were wrong. Lisa: saw UF last in front hall, not in kitchen].

FOIA(b)6

A Special Report from the Pittsburgh *Tribune-Review*

Thursday, February 8, 1996

Grand Jury Witness in Foster Probe Taking Aim at FBI Tactics

By Christopher Ruddy
FOR THE TRIBUNE-REVIEW

WASHINGTON—A grand jury witness in the probe of Vincent Foster's death says investigators for Independent Counsel Kenneth Starr have gone to unusual lengths to question the credibility of his statements.

Witness Patrick Knowlton, a Washington businessman, said FBI investigators assigned to Starr's staff recently took him—under false pretenses—to Fort Marcy Park in an attempt to impeach his testimony.

The former White House deputy counsel's body was found at the park on July 20, 1993.

Knowlton's previous testimony has undermined FBI credibility.

He appeared before Starr's grand jury in November 1995 testifying that FBI agents assigned to former Special Counsel Robert Fiske "lied" in preparing his FBI interview statement.

For example, Knowlton's FBI statement said he could not identify a Hispanic-looking man he saw sitting and standing next to Foster's Honda at Fort Marcy Park. Knowlton said he could identify the man.

Knowlton, along with others, says he saw a briefcase in the Honda. But Park Police have denied its existence and investigators have decided not to pursue the matter.

The Tribune-Review also reported that Knowlton said Starr's grand jury prosecutor treated him like a hostile witness before the grand jury, even asking him a graphic and embarrassing question of a sexual nature.

After his grand jury appearance, Knowlton said he was contacted by FBI agents assigned to Starr who said they were interested in a good-faith re-examination of his account. He said he met with FBI agent James Clemente and Coy Copeland, a retired FBI agent working with Starr, around Dec. 1 at Starr's Washington office.

According to Knowlton, he was asked to accompany the two investigators and a third man, identified as District of Columbia homicide Detective R. Jeff Green to Fort Marcy. Green was consulting on the case with Starr.

Knowlton was told they were interested in reviewing his story at the park. Knowlton agreed to cooperate.

He said he and the agents arrived at the park at just about the same time he did on the day of Foster's death—about 4:30 p.m.

After reviewing some aspects of the scene, Knowlton said that an African-American man appeared in the woods. He said agents, acting surprised, said he was the man some refer to as the "unofficial mayor of Fort Marcy."

The man was Robert Reeves, a retired Army veteran, who has taken an avuncular interest in the park. Reeves uses the park to exercise and assists the maintenance crew in keeping it clean.

Knowlton said agents suggested that he accompany them to say hello to Reeves. As they approached Reeves, Knowlton heard the homicide consultant

FOIA# none (URTS 16371) DocId: 70105752 Page 10

ask Reeves, "Do you recognize this guy?"

Though he did not hear the response, Knowlton says it quickly became apparent to him that Reeves' presence was not a coincidence, but an attempt by Starr's FBI investigators to identify him as a regular park visitor.

"It infuriated me, unnerved me. It's not right. I'm just a citizen here to cooperate. Why should I be treated like I did something wrong?" Knowlton said.

If Reeves fingered Knowlton as a park regular or one of a number of gay cruisers who visited the park, it would have seriously undermined Knowlton's credibility. Knowlton had previously stated that he was neither a regular visitor to the park nor a homosexual.

Knowlton says he stopped at Fort Marcy on the day of Foster's death to relieve himself in the woods.

He added that he passed a polygraph test administered by a former FBI expert.

Knowlton said Reeves was obviously embarrassed by the encounter. He added that he believes the FBI had others visit the park that day, apparently to identify him.

Knowlton said that when they returned to the agents' car, he was informed that the car was low on gas. They drove to a nearby gas station in McLean, Va.

"The agent backed into the pump so the front window would face the station," Knowlton said.

He recalled the unusual maneuver allowed gas station workers to peer into the car window as he sat alone. He believed that this was another attempt to have individuals near the park identify him.

Knowlton was angered by the attempt and after discussing the day's activities with his lawyer, complained to FBI agent Clemente.

Clemente assured Knowlton and his attorney that no one was called to be at the park and that it was merely coincidence that Reeves was present. He was assured he was not taken to the park under false pretenses.

When contacted by the Tribune-Review, Clemente declined to comment on the incident.

CORROBORATING ACCOUNT

Corroborating Knowlton's account is Robert Reeves.

Reeves, of Alexandria, Va., told the Tribune-Review that he was called by FBI agents, who spoke to his wife and requested that Reeves come to the park "to help identify if someone was a regular visitor at the park." Reeves said that like any good citizen, he dutifully appeared.

Reeves' recollection of what happened jibes with Knowlton's. Reeves said he told the FBI that he had not seen Knowlton at the park before, and he was certainly not a regular visitor or cruiser.

Reeves, who has been visiting Fort Marcy several times a week for nearly three decades, said he first ran into FBI agents last fall just after the FBI had conducted an extensive search for the bullet that officials claim killed Foster. The bullet was never found.

"I was up there (at Fort Marcy) cleaning up after the FBI people had left six to seven bags of litter all over the park—Coke cans, chicken boxes," Reeves recounted. It was at that time that two agents came up to him and introduced themselves.

Reeves said he didn't get any of the agents' names, but they took his phone number. Weeks later, he was called to identify Knowlton, he said.

Jerris Leonard, a respected Washington attorney and former assistant attorney general for civil rights during the Nixon administration, finds the government's handling of Knowlton questionable.

"I'd be concerned that [Starr's investigators] continue to bang away at Knowlton," He said. "Obviously, they think Knowlton's testimony is pretty important. But why continue to question his credibility. Why not check out the leads he has given? Why not go after the officers at the crime scene challenging them on the briefcase?"

Starr's spokeswoman in Little Rock, Debbie Gershman, said she couldn't comment on the matter because the investigation is "active." Starr claims to have been investigating the case for the past year-and-a-half. Despite that claim, Reeves, extremely knowledgeable about the park, told the Tribune-Review he has never been interviewed by the FBI.

FOIA# none (URT 16371) DocId: 70105752 Page 11

Subject: Chris Ruddy's latest
From: harvest@mailhost.accesscom.net
Date: 9 Feb 1996 01:01:56 GMT
Message-ID: <4fs6e4$p0n@ux.accesscom.net>

Grand jury witness in Foster probe taking aim at FBI
By Christopher Ruddy
FOR THE TRIBUNE-REVIEW

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He appeared before Starr's grand jury in November 1994 testifying that FBI agents assigned to former Special Counsel Robert Fiske "lied" in preparing his FBI interview statement. ®MDBO¯®MDNM¯For example, Knowlton's FBI statement said he could not identify a Hispanic-looking man he saw sitting and standing next to Foster's Honda at Fort Marcy Park. Knowlton said he could identify the man.

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FOIA # none (URTS 16371) DocId: 70105752 Page 12

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FOIA # none (URTS 16371) DocId: 70105752 Page 14

OFFICE OF THE INDEPENDENT COUNSEL

Date of transcription 2/9/96

HELEN DICKEY was advised of the identities of the interviewing Agents and the nature of the interview. DICKEY provided the following information:

DICKEY is absolutely certain that she did not learn of the death of VINCENT FOSTER until close to 10:00 p.m. eastern time on 7/20/93. She is confident of the approximate time she was notified because at the time she was watching President CLINTON being interviewed on the LARRY KING LIVE show. She was watching the show on a television located in the solarium on the third floor of the White House. She knows the show was almost over because KING asked the President if he could continue for an additional thirty minutes and the President responded that he could stay. Following a break in the show, KING came back on and stated the President was not going to be able to continue the interview.

DICKEY was asked if the LARRY KING Show is one-half hour or an hour in length. She stated the show lasted for one hour and the hour was almost up when she learned of FOSTER's death. It is even possible that the show had just ended. She was asked how CLINTON could remain for an additional thirty minutes if the hour show was completed. She responded that she does not know. She speculated that possibly the interview was going to continue as part of CNN coverage.

Shortly after LARRY KING said the President could not continue the interview, JOHN FANNING, who is a White House Doorman, entered the solarium. FANNING told DICKEY that VINCE FOSTER's body had been found (dead) and he did not want her to hear about it on the news. DICKEY told FANNING "that's not funny," to which FANNING responded he was not kidding. DICKEY does not recall asking FANNING how FOSTER was killed. However, she said FANNING must have told her it was a suicide because she told her mother and father (whom she called shortly thereafter) that FOSTER had killed himself. FANNING did not tell DICKEY how he became aware of FOSTER's death. DICKEY can not recall whether FANNING said FOSTER's body was found in a park.

Investigation on 2/7/96 at Little Rock, Arkansas File # 29D-OIC-35063 Sub17

by SA SA FOIA(b)7 - (C) Date dictated 2/9/96

FOIA # none (URTS 16371) DocId: 70105752 Page 15

There was no one in the solarium with DICKEY. The only other individuals on the third floor at the time were NICOLE BOXER and a friend of BOXER's (whose identity she cannot recall). BOXER and her friend were somewhere on the third floor making BOXER's wedding plans. BOXER was the fiancee (now wife) of TONY RODHAM.

Upon hearing this from FANNING, DICKEY was extremely distraught. She went down to the second floor kitchen looking for President CLINTON. She explained that CLINTON was somewhere in the White House because the LARRY KING interview had been conducted on the ground floor. She recalls that the only person in the kitchen was a Butler named RICARDO (last name unknown). RICARDO was also known as SAM. RICARDO had not yet heard about FOSTER's death. She finally located someone who told her that CLINTON was with MACK MCLARTY who was informing him about FOSTER's death.

DICKEY then used a telephone located in the kitchen to call her mother in Falls Church, Virginia and her father in Atlanta, Georgia. She did not go through the White House switchboard to make these calls and dialed her father as follows: FOIA(b)6. She basically told her mother and father that FOSTER had killed himself. She was still extremely upset during these telephone calls. She then went back up to the third floor but found no one to talk to so she returned to the second floor kitchen. It is possible she called ANNE STOCK, ANN MCCOY, and the Arkansas Governor's mansion at this time but is almost certain these calls were placed after she discussed FOSTER's death with CLINTON.

When DICKEY returned to the second floor kitchen she found President CLINTON, GEORGE STEPHANOPOULOS, MARK GEARIN, and a fourth person whose identity she cannot recall. CLINTON told DICKEY that FOSTER had shot himself in a park and instructed her to go to the FOSTER residence.

DICKEY then went back to the third floor and used a hallway phone to make three calls. As previously stated, it is possible but not likely that she made these calls before talking to CLINTON. She estimates that these calls were made 15-20 minutes after she called her mother and father. The calls were placed to ANNE STOCK (DICKEY's boss) and ANN MCCOY at their homes in Virginia and to the Arkansas Governor's mansion. STOCK was

the White House Social Secretary and MCCOY was the Deputy Social Secretary. The last call she made was to the Governor's mansion in Little Rock. She went through the White House operator to place these calls because she did not remember the telephone numbers of STOCK and MCCOY. She does not know why she went through the operator to call the Governor's mansion.

DICKEY's calls to STOCK and MCCOY were short and she basically told them about FOSTER's death. She called the Arkansas Governor's mansion because she wanted JIM GUY TUCKER and the Governor's Security personnel to know about FOSTER. She was well acquainted with the Governor's Security Squad members since she had been around the Governor's office for many years.

DICKEY estimates she placed her call to the Governor's mansion at approximately 10:30 p.m. eastern time on 7/20/93. She is certain the call was not made before 10:20 p.m. eastern time and is reasonably sure it was not made after 10:40 p.m. eastern time. She is certain the call to the Governor's mansion was the last of the three calls she made from the third floor hallway telephone.

Her call to the Governor's mansion was answered in the Guard's shack by ROGER PERRY. Their conversation was very brief, she estimates two minutes in length. She told PERRY that she just wanted them to know that VINCE FOSTER had shot himself in a park. These may not be her exact words but she is certain she said that FOSTER shot himself and she is certain she said it occurred in a park. She definitely did not say he was killed in a parking lot. She was still upset at the time she talked to PERRY; however, she had settled down somewhat by this point and was not hysterical.

DICKEY was asked to identify guests staying at the White House in the days immediately following FOSTER's death. On July 21, 1993, HELEN and JOHN SLOAN stayed on the third floor of the White House. She explained that the SLOANs were close friends of the FOSTER family. BILL and SUSAN WOODYARD and JERRY and STEPHANIE ATCHLEY were also present in the White House on July 21, 1993. DICKEY believes that one of these couples also spent the night. The WOODYARDs and the ATCHLEYs are both friends of the FOSTER family and both are from Little Rock. DICKEY cannot recall who stayed in the White House in the days following July 21, 1993.

DICKEY has passed through the "bookroom" located on the third floor of the White House on many occasions. She explained that she had to pass through the bookroom to access the exercise room which she sometimes used. However, she moved out of the White House during November of 1994 and has not used the exercise room since that time. She quit working for the White House during August of 1995 and is currently employed by the CLINTON campaign in Little Rock.

DICKEY has been in HILLARY CLINTON's office, located on the third floor of the White House, but has never seen the contents of the office closet.

DICKEY is familiar with MARIA HALEY and has seen her on many occasions in Little Rock and in Washington. She does not recall seeing HALEY on 7/20/93 or during the subsequent week.

DICKEY's mother, ROBYN DICKEY, is now the Deputy White House Social Secretary. At the time of FOSTER's death, she was the Deputy Director of the White House Visitor's office.

Screened

By: David Paynter Date:
11-18-2009

2 - 5 - 96 nov.

Per Coy -

① Jim C./Coy C.

Perry
Patterson
Lynn Davis
} interviewed Nov. 95

FOIA(b)7 - (C)

① [redacted] -
interviewing Helen Dimon, aff. in Foley -

FOIA(b)3 - Rule 6(e), Federal Rules of Criminal Procedure, Grand Jury

C-34
Page

The New York Times

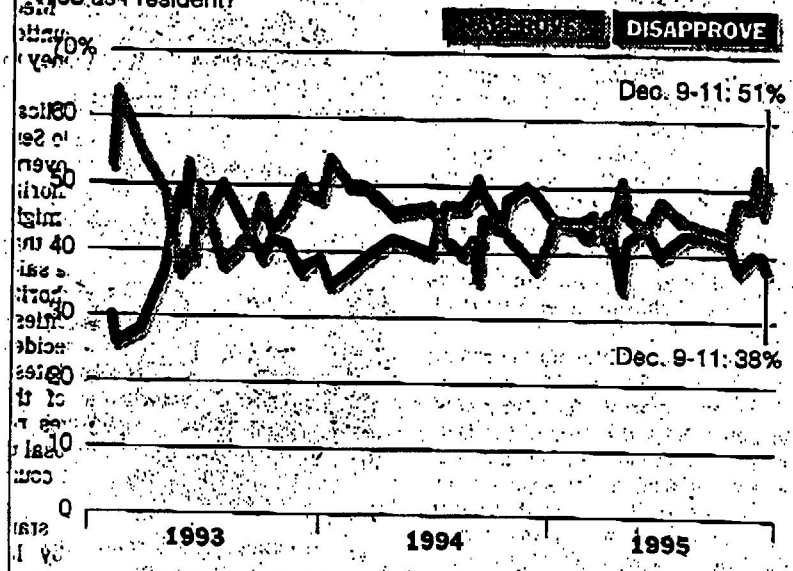
1-2-96
Date

CHRONOLOGY

How Mr. Clinton Did In the Polls . . .

Based on polls conducted by The New York Times and CBS News from February 1993 through December 9-11, 1995.

Do you approve or disapprove of the way Bill Clinton is handling his job as President?



And A Chronology of His Term

1993

JAN. 29 Mr. Clinton temporarily suspends the discharge of homosexuals from the military.

FEB. 11 Mr. Clinton nominates Janet Reno as Attorney General, after Zoe Baird and Judge Kimba M. Wood withdraw.

APRIL 3 Mr. Clinton and Russian President Boris Yeltsin meet for the first time.

APRIL 19 After a 51-day standoff, about 80 members of the Branch Davidian cult die in a fire that started as Federal agents assaulted their compound in Waco, Tex.

MAY 19 The White House fires the travel office's seven-person staff for shoddy accounting practices and mismanagement.

JULY 19 Mr. Clinton announces that homosexuals can serve in the military but only if they do not engage in homosexual behavior and remain quiet about their sexual identity.

JULY 20 Vincent Foster Jr., Mr. Clinton's deputy legal counsel, commits suicide.

AUG. 5-6 Congress passes Mr. Clinton's budget plan, which cuts spending, increases taxes and reduces Federal budget deficits through 1998 by $496 billion.

SEPT. 13 Israel and the Palestine Liberation Organization sign a peace accord on the White House lawn.

SEPT. 22 Mr. Clinton unveils his health care plan to Congress.

OCT. 3 Mr. Clinton orders additional troops to Somalia following a battle in which 18 Americans die.

NOV. 17 and 20 Congress passes legislation to implement the North American Free Trade Agreement.

FOIA # none (URTS 16371) DocId: 70105752 Page 20

1994

JAN. 20 An independent counsel is named to investigate the Clintons' personal and political finances, and their business dealings in the 1980's, including their role in the Whitewater Development Corporation.

JAN. 25 Mr. Clinton delivers his first State of the Union address, promising to change and extend health care coverage.

JUNE 27 Mr. Clinton announces an extensive White House staff shake-up. He removes Thomas F. McLarty as chief of staff and replaces him with Leon E. Panetta, the budget director.

AUG. 26 Congressional leaders and the White House all but concede that health care change is dead for the year.

SEPT. 19 United States troops peacefully enter Haiti to enforce the return of the exiled President, the Rev. Jean-Bertrand Aristide.

OCT. 7 Mr. Clinton announces that Navy and Marine forces will be deployed to the Persian Gulf area in response to a buildup of Iraqi troops along its border with Kuwait.

OCT. 21 The United States and North Korea sign an agreement for North Korea to dismantle its nuclear-development program.

NOV. 8 Congressional elections. Republicans take over the House and Senate for the first time in 40 years.

DEC. 6 Webster L. Hubbell, the former Associate Attorney General and close Clinton friend, pleads guilty to stealing hundreds of thousands of dollars from his former law firm.

DEC. 8 Mr. Clinton signs a sweeping global tariff-cutting trade pact approved by Congress.

1995

JAN. 31 Mr. Clinton sidesteps Congress and uses his own emergency authority to lend up to $20 billion to Mexico to keep it from defaulting on Government-issued bonds.

FEB. 2 Dr. Henry W. Foster Jr. is nominated as Surgeon General to replace Dr. Joycelyn Elders, who was forced to resign in December.

FEB. 6 Mr. Clinton sends to Congress his $1.6 trillion budget plan for fiscal year 1996. It calls for modest spending cuts, some tax relief and $200 million deficits through the end of the decade.

MARCH 23 Mr. Clinton defends the concept of affirmative action and outlines plans to review existing Federal programs.

APRIL 19 The Federal Building in Oklahoma City is bombed, killing 169 people, including 19 children.

JUNE 13 Mr. Clinton presents a new budget proposal that calls for balancing the budget in 10 years.

JUNE 22 Dr. Foster's nomination dies when Senate Democrats fail for a second time to end a Republican filibuster.

JUNE 29 Congress passes a budget resolution that promises to balance the budget in seven years by cuts in social programs, Medicare and Medicaid while cutting taxes by $245 billion.

JULY 19 Mr. Clinton offers a vigorous reaffirmation of the goals and results of affirmative action saying it has been good for America.

OCT. 19 Mr. Clinton says the Republican plan to balance the budget by 2002 is attainable, but that cuts in education, health and environmental programs must be scaled back.

NOV. 14 The Federal Government suspends "nonessential services" and furloughs some 800,000 Federal workers after Mr. Clinton and Congress cannot agree on an interim spending measure.

NOV. 19 Congress and the White House agree on a stopgap spending measure, re-opening Government operations through Dec. 15.

FOIA #none (URLS 16371 Docid 70105524 Page 21

NOV. 21 The presidents of three rival Balkan states initial a peace agreement that ends nearly four years of war in Bosnia. About 20,000 United States troops prepare to help police the accord.

DEC. 16 After weeks of fruitless negoations on a balanced budget, portions of the Government shut down for the second time.

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By: David Paynter Date: 11-18-2009

Dr. Richard H. Strand

FOIA(b)6

December 14, 1995

Attorney General's Office
Special Prosecutor, Kenneth Starr
Pennsylvania and Constitution Avenues, NW
Washington, DC 20530

Dear Sir:

I am very pleased to find that you are a Christian. Warren Duffy and his listeners now have higher hopes that your investigation will bring the hidden truth to light. The other prosecutor's investigation certainly did not do so! We believe that only the truth will make us free from what we think indicates unimaginable corruption in high places.

I am aghast at the federal government's mishandling of the investigation of the Vincent Foster death. There was no homicide investigation which was obviously called for by all the facts and by all the previous governmental protocol. We would like to know who prevented the homicide investigation from occurring and how such an avoidance could be perpetrated with the cooperation of several important investigative agencies.

Since three handwriting experts independently have ruled that the "suicide note" was a forgery, I would certainly hope that you will consider their testimony. They are not hard to contact. Several talk show hosts have interviewed at least one of them.

Many of us are convinced that there is a massive cover-up still going on. We pray that your investigation will not conclude without revealing the truth.

I am anclosing a copy of Reed Irvine's AIM Report "NOTES FROM THE EDITOR'S CUFF." Several suggestions are made which sound perfectly reasonable.

Thank you very much for letting us hear you on "Live From LA" the other day.

Sincerely,

Richard H. Strand

Richard H. Strand, Ed.D.

encl.: "NOTES FROM THE EDITOR'S CUFF"

NOTES FROM THE EDITOR'S CUFF

By Reed Irvine

AIM Report

November-A 1995

ON OCTOBER 25, I MET WITH CONG. STEVE SCHIFF TO DISCUSS THE FOSTER CASE. Schiff, a former prosecutor from Albuquerque, New Mexico was asked by House Speaker New Gingrich to examine the evidence in the Foster case and advise him on whether or not hearings on it should be held by a House committee. On July 7, appearing on Bob Grant's radio talk show in New York, Gingrich said many questions had been raised about Foster's death and that he had asked "several of our Congressional chairmen of our committees to look into that." He said, "I think we are entitled to a full airing....And I think you will be seeing some hearings on these topics, because, when you look at it, there's just too much there to not try to find out what really happened." That suggestion no doubt met with a cool reception from the chairmen of the three committees that might conduct such an investigation, William Clinger of the Committee on Government Reform and Oversight, James Leach of the Banking Committee and Henry Hyde of the Judiciary Committee. Last year, Clinger issued a brief report endorsing Robert Fiske's whitewash of the Park Police investigation. He was more recently seen defending Fiske's findings on the "60 Minutes" smear of Chris Ruddy. Neither Leach nor Hyde has shown any interest in challenging the suicide theory.

REFERRING THE MATTER TO SCHIFF MAY HAVE BEEN GINGRICH'S WAY OF BURYING the matter. By the time I got to Schiff he had already decided to recommend that no hearings be held until Starr finished his investigation. After our meeting, at his request, I sent him a short list of things Starr should do. He said he would pass them on to Starr. I have also told him what we have said in this report—that Congressional hearings must be held to forestall another whitewash. Starr's handling of Patrick Knowlton has convinced me that he is not eager to investigate this case as a homicide. His seven-week search for the missing bullet indicates that he would like to find some evidence to justify ratifying Fiske's findings. *Insight* magazine says a source close to Starr defends the way Foster's death investigation has been handled this way: "We have a number of crimes that the statute of limitations is running out on. If we don't move quickly, we are going to lose cases. Just let's say, hypothetically, Foster was murdered. There is no statute of limitations on murder." Let's see now. Manpower can be deployed for seven weeks looking for evidence to prove that Foster committed suicide, but it would jeopardize other cases to devote any resources to checking out evidence that suggests the President's deputy counsel may have been murdered.

HERE IS MY LIST OF THINGS STARR SHOULD DO IMMEDIATELY:

1. Exhume Foster's body and have a proper autopsy conducted by qualified medical examiners of unquestioned integrity with no previous involvement in the case.

Why: Any finding based on the autopsy conducted by Dr. James Beyer is suspect. His lying about the X-rays has aroused suspicion that nothing less than a new autopsy can allay. Even if the X-rays Beyer said he took and then denied taking were found, it would still be necessary to check to see if there was a wound on the right side of Foster's neck as reported by emergency medical technician Richard Arthur and as observed by Miquel Rodriguez in one of the enhanced crime scene photos he had made. Beyer's record in the Tim Easley and Tommy Burkett cases in which he overlooked injuries not consistent with his findings of suicide does not inspire confidence.

2. Try to determine the nature of the "bind" that Dr. Robert Hedaya says Foster's sister, Sheila Anthony, told him on July 15 her brother was in. This must have involved knowledge of or involvement in something far more serious than Travelgate to have led Foster to kill himself or someone else to kill him. Start by calling Sheila Anthony and Marcia Scott before the grand jury. Foster had a lengthy conversation with Scott the day before he died, but she claimed she couldn't remember what they talked about. A likely story!

3. Obtain the times of the following phone calls: (1) All calls from the White House to the governor's mansion in Arkansas on July 20, 1993 after 5:00 p.m. Eastern time. (2) All calls made to and from the Air Force plane carrying Mrs. Clinton from California to Little Rock. (3) All calls made to and

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(OVER)

from Mrs. Clinton's mother's home on July 20 after Mrs. Clinton arrived there. (4) The call made from Fort Marcy Park to Lt. Danny Walter of the Presidential Protection Division of the Secret Service at 202-395-4366. (5) All other Park Police calls to the Secret Service on the afternoon and night of July 20 and all calls made by U.S. Park Police Lt. Patrick Gavin.

Why: David Watkins testified before Sen. D'Amato's committee that at 10:30 p.m. on July 20, 1993, the Park Police had been in touch with the Secret Service about Foster's death "for some five hours." Helen Dickey reportedly called the governor's mansion in Little Rock to report Foster's death as early as 5:30 p.m. and no later than 8:00 p.m. Eastern time. If that call was made before 6:10 p.m., it was before the police found the body. If it was made before 6:30 p.m., it was before the body had been identified. If it was made before 8:00 p.m., it was before the White House says it was notified.

4. Try to ascertain Foster's whereabouts on the afternoon of July 20 by (a) trying to determine the origin of the carpet fibers and blond hair on Foster's clothing, (b) checking the rumors that a house or apartment was rented to some of the senior administration officials from Arkansas, including Foster, or made available to them by the Secret Service for their private use, and (c) locating his pocket address book and whatever he used to keep track of his appointments.

Why: The records and testimony so far made public do not show that any effort was made to check out any of these possible clues. There is no mention of anything like a daytimer, desk calendar or address book being recovered. There was a rumor that Foster's body was moved from a "safe house" that caused a dip in the stock market, but the Fiske report did not include this among the ten questions it tried to answer. The failure of the Fiske investigation to deal with the carpet and other fibers, the blond hair and the semen the FBI lab found in Foster's shorts is one of its greatest weaknesses.

5. Find out what the NSA binders that Foster had his secretary put in the office safe contained, why Foster had them, and what became of them.

Why: Persons who held Foster's position in previous administrations have told me the only justification for Foster having such material would be if he were working on something like a reorganization of the intelligence agencies. Deborah Gorham's description of Foster's work suggests no reason for him to have NSA documents.

6. Investigate the investigators to determine the following: (a) Who made the decision to leave the investigation to the Park Police? (b) Do the Park Police handwritten notes of their interviews with witnesses who saw men behaving suspiciously in the Fort Marcy parking lot shortly before Foster's body was found conform to their misleading typed reports of these interviews? (c) Do the FBI handwritten notes of their interviews with Patrick Knowlton conform to the false statement in their typed report that Knowlton would not be able to identify the man he saw behaving suspiciously in the Fort Marcy parking lot 75 minutes before Foster's body was found? (d) Why have witnesses with no incentive to lie, such as Patrick Knowlton, been subjected to inappropriate treatment while those whose statements are suspect have been treated very gently? (e) Was the spoilage of all 35 mm. crime scene photos and the loss of most of the back-up Polaroids purely accidental? (f) Can the technicians who assisted Dr. Beyer with the autopsy cast any light on whether or not X-rays were taken and why Beyer lied to explain why none existed?

Why: It is imperative that we find out if what have been interpreted as blunders in the previous investigations are innocent mistakes or deliberate efforts to conceal and deceive.

HUGH H. SPRUNT, JR. ACCOMPANIED ME ON MY VISIT TO CONG. SCHIFF AND MADE A valuable contribution. Hugh is an accountant and lawyer from Dallas who prepared the excellent "Citizen's Independent Report on the Death of Vincent W. Foster, Jr." He has become an expert on the Foster case by analyzing and comparing the disparate, overlapping, contradictory and often confused and confusing statements, reports and documents in the 2,672 pages of published Hearings of the Senate Banking Committee on Foster's death. His "Citizen's Independent Report on the Death of Vincent W. Foster, Jr" is available for the cost of reproduction to anyone who wants it from the Bel-Jean Printing Co., 10111 Bacon Drive, Beltsville, MD 20705. The cost, including shipping and handling, is $15.45. Hugh has provided me with a list of the colors witnesses ascribed to the car with Arkansas plates that was found in the Fort Marcy parking lot by various witnesses. There are thirteen different colors, not counting "light" and "dark." We did not discuss in this report claims by Knowlton and another witness that the Arkansas car they saw was brown while the police said Foster's car was gray. Some say this shows that there was a switch of cars. I'm inclined to think it means that memory of colors is often wrong.

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Dr. Richard H. Strand

[redacted]

FOIA(b)6

Attorney General's office
Special Prosecutor, Kenneth Starr
Pennsylvania and Constitution Avenues
Washington, DC 20530

Memorandum **Office of the Independent Counsel**

To : IC KENNETH STARR
HICKMAN EWING

Date 5/18/95

From : FOIA(b)7 - (C)

Subject: VALUE PARTNERS AND MID-LIFE INVESTORS

I asked the staff to do a Lexis search for Value Partners and Mid-Life Investors. The attached are some of the articles which resulted.

Value Partners is a local hedge fund whose partners include members of the Arkansas elite. HILLARY CLINTON has been a limited partner since 1986. The fund is managed by BILL SMITH, President of Smith Capital Management, and it has specialized in short sales. The only controversy with respect to Value Partners which I've seen in the news articles concerns the profits HILLARY realized through Value Partners' short sales of health care industry stock during the general time period she headed the Administration's health care reform efforts. Some Republicans have claimed this was a conflict of interest.

Mid-Life Investors is more interesting. In 1983, HILLARY CLINTON, WEBB HUBBELL, VINCE FOSTER and KEN SHERAIN, all Rose Law Firm partners, formed this investment partnership. Each invested $15,000 and named one another as beneficiaries, rather than their respective spouses. The investments of Mid-Life were handled by ROY P. DREW, a local stockbroker with E.F. Hutton. According to the CLINTON tax returns, Mid-Life was not a success and very little income was derived from it over the years. According to one of the attached articles, however, the lack of success of Mid-Life's investments is a surprise to ROY DREW and that, in his opinion, "There was no way Mid-Life Investors could have failed to reap substantial profits."

One of Mid-Life's partners has pled guilty to systematic theft. One committed suicide under mysterious circumstances. One or more of the partners were involved in the alleged Rose Law Firm conflicts issues.

FOIA(b)7 - (C)
(2)

The attached articles present an interesting picture of the CLINTON family finances.

These articles raise the following questions in my mind:

(1) Mrs. CLINTON led the CLINTONs into a fairly large number of high-risk investment/business deals as opposed to traditional, stable investments (e.g., blue chip stock). Whitewater is but one example. Was she in a win-win, no lose situation?

(2) What was Mid-Life all about? At that time, Mrs. CLINTON had all types of other investments and business deals in play. Why did she need to participate in this investment partnership with her law partners? Why does the stockbroker who administered the partnership believe it should have made money?

(3) Why would HILLARY have played a passive role in Whitewater when she was so active in other business/investment ventures?

(4) The CLINTONs' total income for 1977 was [redacted]. Obviously, this is a huge increase over a two-year period. The commodities trading played a big role in this; but, what triggered their sudden entry into the type of risky deals through which this type of profit can be realized?

FOIA(b)6
FOIA(b)3 - 26 USC 6103, Tax Information

Memorandum **Office of the Independent Counsel**

To : FOIA(b)7 - (C) Date 5/16/95

From : John Bryck

Subject: Value Partners & Mid-Life Investors

Attached are articles related to the above partnerships. They are selected from the Major Papers and Magazine files of Lexis/Nexis. I also have these on diskette, if you think that will be an easier way to review the articles.

:jrb
Attachments

P.S. I've also enclosed a few articles found in Wall St. Journal. JB

The Clintons' economic success was achieved primarily through her efforts, and Hillary Clinton's earnings made her the family's primary breadwinner. But friends say that - commodities trades notwithstanding - Hillary Clinton was never a yuppie.

"Yuppies in the 1980s were the people that fled public schools, made lots of money, moved to the suburbs, thought social causes were taking a basket to the needy at Thanksgiving and used the pronoun 'I' instead of 'we,' " says Skip Rutherford, a Little Rock public relations executive and Clinton intimate. "And I don't think Hillary Clinton fit any of that."

But Roy Drew, a Little Rock investment counselor, saw another side. Drew managed an investment account at E.F. Hutton in 1983 and 1984 for Hillary Clinton and two other Rose Law Firm partners - Webster Hubbell, who went on to become the Justice Department's third-ranking official under Clinton only to resign; and Vincent Foster, the deputy White House counsel who committed suicide last year.

Drew recalls that Hillary Clinton was the "point person" for the group, known as Mid-Life Investors, calling him three or four times a week to ask how the stocks were doing, and on at least one occasion telling him to buy a stock in a company Drew knew nothing about.

"She was very unsophisticated but highly interested," Drew recalls. "She was clearly somebody who wanted to make a buck."

In 1977, the year Bill Clinton entered public life as Arkansas' attorney general, the couple had a total income of $ 42,626, with $ 518 from investments. By 1992, the year before Clinton entered the White House, their income had mushroomed to $ 297,127, and they reported holdings on disclosure forms in a range of $ 533,000 to $ 1.5 million. During the 1992 campaign, Clinton aides pegged the couple's net worth at more than $ 700,000.

Savvy investing by Hillary Clinton certainly played a part. The commodities trades - starting in 1978 when the Clintons had $ 59,000 in other income and had just taken responsibility with McDougal for $ 200,000 in Whitewater loans that would cost them $ 10,000 in interest payments that year - were her most spectacular success.

The records released last week, according to experts who have reviewed them, depict an aggressive trader with a strong stomach and extraordinary good luck - or one who benefited from favorable treatment at a brokerage house run by a former Tyson official who was later accused of allocating a greater number of profit-making trades to important customers. She made $ 5,300 on her first day of trading, and later successes were enough to buffer her against losses that eventually reached $ 26,000 on a single day and that could have rapidly wiped out the Clintons' modest resources earlier. "She could have been sacked for everything she owned," said Al Grody, a former Coopers & Lybrand partner who runs Financial Intergroup, a consulting firm specializing in futures.

Experts also said Clinton's account was underfunded and unusually thin for the volumes she was trading at the time, and under today's standards, most brokerages would not take her account.

"It wasn't an everyday thing for a broker to carry a customer like this, but it wasn't completely out of the ordinary either," said Chicago lawyer John Troelstrup, a former regional counsel for the federal Commodity Futures Trading Commission.

While the commodity trades were Clinton's most successful investment, they weren't her only big score. In 1983, for example, she invested $ 2,000 for a small interest in Arkansas Cellular Communications - a company put together by Bill Clinton political adviser David Watkins, now a White House staffer - to compete for the cellular telephone franchise in Little Rock. In 1988, her interest was worth $ 48,000 after the company bought out a rival bidder with the help of a $ 60,000 loan Hillary Clinton guaranteed, and was in turn bought out by national cellular giant McCaw Communications, according to published reports.

And by the start of the 1992 presidential campaign, the Clintons' financial disclosure statements and tax returns indicate they had built their wealth through a wide array of investments - from common stocks and mutual funds to municipal bonds and limited partnerships in energy exploration firms.

Throughout the '80s, the key to the couple' rising economic status was Hillary Clinton's growing prominence and earning power at the Rose Law Firm. While Bill Clinton's salary as governor topped out at $ 35,000, Hillary's law practice income steadily grew - from $ 24,000 in 1978, to $ 92,000 in 1989, to $ 109,000 in 1991, to $ 203,000 when she left the firm and withdrew her capital contribution in 1992.

Firm partners have confirmed that - as Clinton said in his news conference - Hillary Clinton did not share in the law firm's profits from representing the state or its agencies while her husband was governor. But she did receive a share of the firm's retainers for representing clients - including major Arkansas economic players such as Tyson, the brokerage conglomerate Stephens Inc., Worthen Bank and others - with business before the state.

And she did at times actively represent clients with issues before the state, as was the case when she received a $ 2,000-a-month retainer from McDougal for 15 months while he was seeking permission from the state's securities commissioner to recapitalize his thrift, Madison Guaranty Savings & Loan.

In addition to practicing law, Clinton invested considerable energies serving on the boards of a wide range of organizations - some philanthropic in nature, others profit-making companies that in some years, according to tax returns and other public documents, produced more than $ 60,000 in annual director's fees for her and in some cases paid thousands more in legal fees to the Rose firm.

For example, the Rose Law Firm was paid more than $ 100,000 by the Center for Education and the Economy - a Rochester-based nonprofit organization on whose board she served - under a 1991 contract for her services in promoting the center's agenda.

Inside Arkansas, Hillary Clinton's philanthropic work included a 5-year stint on the board of the Arkansas Children's Hospital and a key role prior to her board membership in helping to establish a neo-natal clinic that now serves as a southeastern regional facility. She also had a founding role at Southern Development Bancorp, which has sought to make community development capital available to catalyze growth in distressed rural areas.

Clinton served as a director without fees from 1986 until 1992, according to Southern Development president George Surgeon. The Rose Law Firm was hired as the company's primary outside law firm and since 1985 has received an aggregate of $ 120,000 in fees from the corporate parent and another $ 130,000 from subsidiaries and affiliates on whose boards Clinton did not serve, but Surgeon said Clinton played no role in the selection and has only occasionally done legal work herself.

Outside Arkansas, Clinton received national attention for her work with a variety of organizations including the Children's Defense Fund, a national organization devoted to the rights of the young where she served without compensation as a director beginning in 1978 and as chairwoman of the board from 1986 to 1992.

She was also a director of Manhattan's Children's Television Workshop, where she received $ 8,400 in fees from 1989 through 1992, and of Public/Private Ventures, a Philadelphia-based nonprofit organization that develops programs to help at-risk children. She received $ 1,800 in annual fees from the organization between 1990 and 1992.

Like others from the nonprofit sector who worked with Clinton, Mike Bailin of Public/Private Ventures says money was the last thing on her mind.

Simultaneously, however, Clinton served on the boards of three companies whose main business was making money - and whose actions did not always mesh neatly with her progressive politics.

Clinton took her first corporate directorship in 1986, when Sam Walton, founder of the Arkansas-based Wal-Mart Stores Inc. discount retailing empire, named her to his company's board. She and other directors were paid $ 18,000 annually, plus expenses and $ 1,500 for each board meeting, Wal-Mart proxy statements show. In addition, she amassed Wal-Mart stock that was valued at between $ 100,000 and $ 250,000 in a 1993 federal financial disclosure statement filed by President Clinton.

During her tenure on the Wal-Mart board, the Food and Allied Service Trades of the AFL-CIO forced the company to allow a stockholder vote on establishing a committee to guard against imported Chinese goods produced by forced labor. Wal-Mart opposed the vote, insisting the company already had a policy against the practice.

Jeffrey Fiedler, secretary treasurer of the labor group, said Clinton and other Wal-Mart board members had no direct involvement with the issue. Fiedler noted, however, that the Clinton family did not vote on the proposal, which was defeated.

Company officials said Clinton sensitized Wal-Mart to environmental concerns.

Clinton also served on the board of directors of a Virginia-based company with a mixed environmental record. Public records show she earned between $ 29,000 and $ 31,000 annually between 1990 and 1992 as a director of Lafarge Corp., one of the nation's largest cement manufacturers.

Environmental Protection Agency records show Lafarge was among several firms found responsible in 1992 for illegal waste dumping at locations in Florida

and Indiana.

Another Arkansas-based company that counted Clinton among its directors also faced public controversy during her tenure. In 1989, she joined the board of TCBY Enterprises Inc., a yogurt manufacturer and franchiser whose proxy statements show she was paid $ 1,000 for each board meeting. Stacy Duckett, chief spokeswoman for TCBY, said the company also retained the Rose Law Firm for securities work.

Duckett said she could not provide an estimate of the law firm's compensation. But a source familiar with the legal work estimated TCBY paid the Rose Law Firm more than $ 700,000 between 1989 and 1992, when Clinton resigned from the board. The company continues to use the firm, Duckett said.

Among the TCBY legal matters handled by the Rose firm during Clinton's board tenure was a January, 1990, federal lawsuit in which the company was accused of issuing false statements and failing to disclose adverse financial information in a bid to inflate the value of company stock.

In the suit, which did not name Clinton or other directors, a stockholder charged that TCBY falsely stated it was growing rapidly when, the suit charged, firm officials knew sales were decreasing.

Court records show that then-Rose partner Vincent Foster, the deputy White House counsel who committed suicide last year, was TCBY's lead defense lawyer. The company settled the stockholder case in 1992 without acknowledging any wrongdoing. The agreement, however, required TCBY and its insurers to pay a settlement of as much as $ 2.8 million.

GRAPHIC: 1) AP Photo-Bill and Hillary Clinton in California en route to Charlotte, N.C., to watch Final Four basketball. 2) AP Photo-Hillary Rodham Clinton has been the force behind the first family's financial successes over the years. (Pg. A16 C)

LANGUAGE: ENGLISH

LOAD-DATE-MDC: April 04, 1994

LEVEL 1 - 60 OF 82 STORIES

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The New York Times

April 18, 1992, Saturday, Late Edition - Final

SECTION: Section 1; Page 7; Column 1; National Desk

LENGTH: 541 words

HEADLINE: THE 1992 CAMPAIGN: Taxes;
Clintons Paid $49,828 to I.R.S. on Earnings of $244,356

BYLINE: By FLOYD NORRIS

BODY:
Gov. Bill Clinton of Arkansas and his wife, Hillary, earned a total of $244,356 last year, most of it by Mrs. Clinton, a lawyer and member of several corporate boards, according to tax returns made public by the Clintons yesterday.

The returns showed that the Clintons paid $49,828 in Federal income taxes and $12,424 in Arkansas state income taxes.

Mr. Clinton reported income of $48,854, including his salary as Governor of $35,000. Mrs. Clinton reported a salary of $109,720 from her law firm, along with $64,700 in directors fees. Among the boards on which she serves is Wal-Mart Stores, the largest retailer in America, which is based in Arkansas.

Mr. and Mrs. Clinton each reported receiving $5,500 in honoraria, which is usually speaking fees, but they did not report who had paid the fees. Interest and investment income made up the rest of the income.

Low-Paid Governor

Mr. Clinton has noted in campaign speeches that he is the lowest paid Governor in the country. He is allowed to use a public relations fund, appropriated by the state, for whatever he wishes. In 1990, The Associated Press reported, he paid taxes on $19,000 of income from that fund, but he reported no income from it in 1991.

The Clintons reported $15,506 in charitable contributions, including $593 in clothing and toys given to the Union Rescue Mission in Little Rock. The cash contributions were divided among 47 recipients, with the largest amounts being $3,500 to the First United Methodist Church in Little Rock, which Mrs. Clinton attends, and $3,000 to Immanuel Baptist Church in Little Rock, where Mr. Clinton is a member.

The returns showed that the Clintons have investments in at least three mutual funds, including a municipal bond fund and a Treasury bond fund managed by Fidelity Investments and a fund investing in foreign debt securities managed by G.T. Capital Management.

They also showed investments in three partnerships, known as Value Partners I, OKC Limited Partnership and Midlife Investments. Maxine Parker, a spokeswoman for Mr. Clinton, said no information was available on the businesses of the

partnerships; the Clintons' accountant, she said, was not in his office because it was Good Friday. The only significant income from the partnerships came from Value Partners, which paid $2,199 in interest.

The total income of $244,356 included $6,780 in interest on municipal bonds, on which taxes are not owed, and was further reduced by a $3,000 deduction for a short-term capital loss and a $148 loss on the OKC partnership. That reduced the total reported income to $234,428 on the couple's Federal income tax return.

Brown Reports Taxes

WASHINGTON, April 17 (AP) -- Edmund G. Brown Jr. paid $15,141 in Federal taxes in 1991 on an adjusted gross income of $117,340, according to a partial return made public by his campaign today.

Mr. Brown's campaign released only the first two pages of the return he mailed to the Government earlier this week showing $110,927 in business income and $15,248 in interest and dividend income. The return reported investment losses of nearly $6,000.

The specific sources of Mr. Brown's income and losses were not detailed.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: April 18, 1992

LEVEL 1 - 30 OF 82 STORIES

Copyright 1994 Newsday, Inc.
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April 3, 1994, Sunday, NASSAU AND SUFFOLK EDITION

SECTION: NEWS; Pg. 4
Other Edition: City

LENGTH: 2184 words

HEADLINE: 'Not a Yuppie';
A look at the Clintons' income through the years

BYLINE: By Kevin McCoy and John Riley. STAFF WRITERS

BODY:
To hear her friends and supporters tell it, Hillary Rodham Clinton was always selfless.

She spent quality time caring for her young daughter. She devoted countless hours to children's causes, hospitals and the environment, even while pursuing a successful career as a lawyer.

But financial documents, public records and interviews show Clinton was at least equally concerned with making money.

She traded cattle futures with advice from a lawyer for Tyson Foods, the Arkansas-based poultry giant. She was a drawing card for clients at Little Rock's Rose Law Firm who sought influence with her husband, the governor. And she collected fees as a board member of two of Arkansas' most powerful corporations.

In President Bill Clinton's eyes, there's never been any question about Hillary's priorities. At his nationally televised news conference 10 days ago, he denounced any notion that the first lady was another greedy yuppie during the 1980s.

"Everybody who knew her knew that every year she was giving up a whole lot of income to do public business - to advance the cause of children and to advance the cause of the state," Clinton said. "I think in the end . . . her moral authority will be stronger than it has ever been."

Last week, however, the release of trading records revealed that in the late 1970s, Hillary Clinton parlayed $ 1,000 into nearly $ 100,000 in 10 months of aggressive maneuvering in speculative commodity futures ranging from cattle to soybeans. And that White House disclosure fueled the debate the president had tried to put to rest.

Like Whitewater, the Ozarks real-estate venture with savings and loan wheeler-dealer James McDougal that has brought the Clintons political headaches, the cattle futures controversy over advice Hillary Clinton received from Tyson Foods lawyer James Blair aroused suspicion that the Clintons might have benefited economically through favors bestowed by a business seeking special treatment with the state.

LEVEL 1 - 36 OF 82 STORIES

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Los Angeles Times

January 16, 1994, Sunday, Home Edition

SECTION: Part A; Page 1; Column 5; National Desk

LENGTH: 1783 words

HEADLINE: FIRST LADY IN SPOTLIGHT FOR HER ROLE IN WHITEWATER; INQUIRY: HER REPUTATION AS A TOP CORPORATE LAWYER SEEMS TO CONFLICT WITH HER PURPORTED NAIVETE ABOUT HIGH FINANCE.

BYLINE: By JOHN M. BRODER and JAMES RISEN, TIMES STAFF WRITERS

DATELINE: WASHINGTON

BODY:

As the White House struggles to contain the controversy surrounding the First Family's involvement in the tangled Whitewater real estate and banking affair, First Lady Hillary Rodham Clinton's role has begun to raise as many questions as her husband's.

Indeed, the Whitewater matter now seems to be a controversy befitting the Clintons' modern, two-career political marriage: Just as the First Lady has played a critical role in major policy decisions on health care and other issues, she now finds herself a central figure with her husband in this politically threatening affair.

It is Hillary Clinton's independent career as a top attorney in Little Rock, Ark., while her husband served as governor -- and her reputation for being the financial brains of the household -- that have prompted questions about her role in the Whitewater matter.

Even friends in Arkansas are wondering why she has not come forward with a fuller account of what she did and what she knew at the time the events in Arkansas were unfolding.

"I don't know why she hasn't been more open about explaining" her work as a lawyer for the defunct savings and loan at the center of the affair, said Beverly Bassett Schaffer, a former Arkansas state regulator and longtime acquaintance. "I don't understand why they (the Clintons) were in business with someone like McDougal," the thrift's owner.

James B. McDougal, a friend of Clinton's, owned Madison Guaranty Savings & Loan and was half-owner with the Clintons in an Ozark Mountain real estate venture called Whitewater Development Corp.

The President and Hillary Clinton have said they were innocent bystanders as McDougal drove his lending institution into the ground with a binge of bad loans and frittered away nearly $70,000 of their assets on the bankrupt Whitewater project.

Unresolved, though, is the mystery of how to reconcile this image of naivete in the world of high finance with Hillary Clinton's reputation as a top

corporate lawyer and board member of some of the nation's biggest corporations.

The question being asked more openly in Washington and Arkansas is: How could Hillary Clinton -- whom one legal journal called one of the 100 most influential lawyers in the United States -- be unaware of gross mismanagement at a savings institution she represented as an attorney and neglect her family's only substantial financial asset?

Those questions intertwine with a web of others as federal investigators continue their inquiry.

Specifically, they are trying to determine whether, amid the careening disorder in the runaway S&L and Whitewater, money from a federally guaranteed thrift was diverted into Clinton's 1984 campaign coffers. Also, there is the matter of whether the institution got favorable treatment from Arkansas authorities that helped keep it in business before federal regulators finally shut it down in 1989.

It is Hillary Clinton's role as a former attorney for the savings and loan that has raised concerns about her actions.

McDougal, who worked with Clinton in Sen. J. William Fulbright's office in the 1960s, bought Madison Guaranty in 1982 and soon began using it to make loans to important figures and to finance an assortment of speculations including his 4-year-old Whitewater venture with the Clintons, according to records filed with state regulators.

Before long, the S&L was on dangerous ground, and in 1984 federal regulators warned that they considered its lending practices questionable. The Federal Home Loan Bank Board directed the S&L -- along with others in Arkansas -- to raise more capital and put its house in order.

McDougal hit upon a quick way to raise money: selling stock. But that was not normal practice for savings and loans in Arkansas, and the proposal needed approval from the Arkansas Securities Commission. So McDougal had Little Rock's Rose Law Firm -- and specifically partner Hillary Clinton -- make his case for the stock sale to state regulators.

The White House has acknowledged that Hillary Clinton, then on a $2,000-a-month retainer with Madison Guaranty, worked on the proposal in 1985. But senior presidential adviser Bruce Lindsey said her involvement was minimal and that most of the legal work was done by a junior associate, Richard N. Massey, then a 28-year-old, first-year lawyer at the firm.

Joe Madden, the current commissioner of the Arkansas Securities Department, said there are at least three Rose Law Firm documents to the commission that refer questions back to either Hillary Clinton or Massey. But he said the case was fairly routine and that a "competent first-year attorney (as Massey was at the time) could have been primarily responsible for doing the research and doing the drafting."

Schaffer, who had just been appointed securities commissioner by then-Gov. Clinton when the case arose, said Massey handled meetings with her staff and that Hillary Clinton was the only senior attorney at the Rose firm with whom she or her staff communicated.

Ultimately, Schaffer and her staff decided that the unusual capital-formation plan did not violate Arkansas law and approved it. Because of its growing financial problems, though, the plan was never carried out by the thrift.

Schaffer, now an attorney in private practice in Fayetteville, Ark., said she did not feel pressured to rule favorably because the governor's wife was involved in the case.

But she expressed frustration at her old friend's seeming hesitation to publicly explain her role as a senior attorney in the case and thereby allow suspicions to grow.

Repeatedly, Hillary Clinton has insisted that questions arising from private matters a decade or more ago are not a fit subject for public scrutiny. She has refused to respond to any detailed inquiries, including the central one: whether it was proper to represent a business partner before a state regulatory board run by a personal friend and appointee of her husband's.

She has expressed bewilderment that the press and investigators are interested in the aftermath of a money-losing private real estate investment.

Jack Pitney, a political scientist at Claremont McKenna College in Claremont, said the First Lady's response created a credibility problem. It is difficult, he said, to believe she would ignore a major family investment and overlook a potential conflict of interest.

"She can't just throw her hands in the air and say she doesn't understand all this legal stuff. She can't claim ignorance of legal details," he said. "It is not a credible defense. Her involvement is a fix of her own making."

Friends and associates said the two images of Hillary Clinton -- meticulous lawyer and absent-minded investor -- are not mutually exclusive. While she was a keen professional at work, she had little interest in acquiring wealth or closely monitoring her family's finances, according to her defenders.

Lindsey, a longtime Arkansas friend of the First Family, said the Clintons got into the Whitewater deal on the assumption that McDougal would manage the property and the Clintons would simply make payments periodically on loans taken out to purchase the undeveloped land.

"They went into a real estate development with a developer with the clear understanding that he would manage the investment and with the clear understanding they would be passive investors," Lindsey said.

"When they were asked to write a check to Citizens Bank of Flippin (Ark.) or even to the McDougals when McDougal said there weren't sufficient funds from property sales to cover that month's mortgage payments, that didn't seem unusual."

He said the Clintons were aware that the property appeared to be losing value, but rather than questioning McDougal or seeking detailed financial statements on the deal, they just wrote it off as "bad business judgment," Lindsey said.

Los Angeles Times, January 16, 1994

Another family friend's assessment is that neither of the Clintons was interested in getting rich; they concentrated through the 1980s on Clinton's political career and his wife's policy crusades.

"They don't know beans about business," said this Arkansas friend, who asked to remain nameless.

According to McDougal, the Clintons early in 1985 expressed interest in Madison Guaranty's affairs -- as well as their personal enrichment -- and sought the thrift's legal work for the Rose Law Firm. McDougal said he put Hillary Clinton and the Rose firm on the $2,000-a-month retainer at then-Gov. Clinton's request -- a claim the White House has denied.

In 1988, when Madison Guaranty clearly was on the verge of failure and McDougal was suffering personal problems, records show that Hillary Clinton wrote to McDougal to seek power of attorney over all Whitewater-related business.

She received that power but apparently did not use it until 1992, when she authorized Rose firm law partner Vincent Foster to work on Whitewater's delinquent tax returns.

In an unrelated case, she took a distinctly active role in a family investment involving much less money. In 1983, she, Foster and Webster L. Hubbell, another law firm partner, formed an investment partnership called Mid-life Investors, with each contributing an initial $15,000.

Roy P. Drew, a stockbroker who helped them set up the venture, said neither Foster nor Hubbell later expressed much interest in the performance of the partnership but that Hillary Clinton called frequently to ask about her investment, at times phoning him daily with questions and instructions.

The partnership eventually foundered, paying annual dividends of between $2 and $20 from 1986 to 1992, according to the Clintons' income tax returns. Lindsey, who follows the Clintons' personal business closely, said he knew virtually nothing about Mid-life Investors except that it was an insignificant part of the family's portfolio.

Some of the White House defensiveness about Whitewater questions over the last three weeks can be attributed to concern for Hillary Clinton's potential exposure to political damage.

The chief item on the White House agenda for 1994 is the health care reform initiative, which the First Lady has headed.

White House aides -- and ultimately the Clintons -- concluded this week that until questions are resolved about the First Family's business matters, little progress can be made on affairs of state, officials said.

"There ain't going to be no health care campaign if they don't get Whitewater out of the way," said Betsey Wright, Clinton's former gubernatorial chief of staff and an informal adviser.

Times staff writer Thomas B. Rosenstiel contributed to this story.

Los Angeles Times, January 16, 1994

* WHITEWATER CHRONOLOGY: A look at the Clintons' involvement in the Arkansas real estate and banking venture. A18

LANGUAGE: ENGLISH

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LEVEL 1 - 2 OF 14 STORIES

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Los Angeles Times

May 2, 1994, Monday, Home Edition

SECTION: Part A; Page 1; Column 2; National Desk

LENGTH: 2264 words

HEADLINE: RISKY VENTURES MARKED EARLY CLINTON INVESTING; FINANCES: STRATEGIES OF PRESIDENT, WIFE HARDLY FIT SAFE PATTERN FOR YOUNG COUPLES' NEST EGGS. IRAS WERE IGNORED.

BYLINE: By SARA FRITZ, TIMES STAFF WRITER

DATELINE: LITTLE ROCK, Ark.

BODY:
Shortly after they were married in 1975, Bill and Hillary Rodham Clinton decided, as the First Lady described it recently, "to create some financial security for our family." Their goal, she said, was to accumulate enough money to educate their yet-unborn daughter, finance their own retirement and help their parents in times of need.

That explanation of the Clintons' now-controversial financial affairs doubtless struck a responsive chord among millions of young, middle-class Americans.

Yet the investment strategies the Clintons pursued in the early days of their careers did not fit the traditional pattern of safe, predictable, mainstream investments chosen by most young couples who are seeking to build a nest egg.

They did not buy a permanent residence. They did not open individual retirement accounts until much later in their marriage. They did not build a portfolio of carefully chosen blue chip stocks.

Instead, their financial records show, the Clintons repeatedly put their scant resources into highly risky and speculative ventures: commodities futures, oil-drilling leases, limited partnerships and real estate speculation, among other ventures.

Their partnership in the Whitewater Development Corp. and Hillary Clinton's wildly successful commodities trades -- the two investments at the heart of the current investigation of the Clinton family finances -- represent only a fraction of many investments that appear to have been designed more to strike it rich or to shelter income than to assure long-term security for the family.

In the early 1980s, for example, the Clintons made more than $45,000 by investing $2,014 in a cellular telephone franchise. They also earned a handsome return from investing in a highly exclusive stock fund with a reputation for buying on the margin and selling short. In addition, they enjoyed considerable tax advantages by investing in Forest Drilling Partners, a Colorado-based oil exploration company.

Of course, the Clintons were no ordinary couple. He, as governor, and she, as Arkansas' First Lady and member of the state's premier law firm, had plenty of knowledgeable people willing to help them with their investments. That kind of guidance can mitigate the risk most people would face pursuing such a high-risk strategy. And the Clintons did succeed.

Republicans and other critics charge that many of the Clintons' investments smack of possible ethical or legal impropriety -- receiving favorable financial opportunities from individuals and companies seeking favors from the state government, for instance. Those suggestions, which the Clintons have unequivocally denied, are being examined by a special counsel and a federal grand jury.

But whatever the outcome of the investigation, the pattern of the Clintons' early investment activities offers fascinating insight into how they approached one of the most important issues any young couple must face -- the question of financial security. And when it came to decisions like that, the Clintons were clearly not cut from common cloth.

Professional financial planners know from experience that, in any group of middle-class investors, there are always a few who say they want safety and security but who have the steely nerves and appetite to go after the big killing. Such investors would rather go for large gains, and risk large losses, than plod tortoise-like through a lifetime of small but safe steps toward financial security.

The Clintons appear to be among those who wanted to run with the hares.

"If you look at Mrs. Clinton's investments, they are more aggressive than you might normally see with people in her income bracket," said Bill Smith, owner of Smith Capital Management and Hillary Clinton's primary investment adviser for the last 16 years.

"Look at Whitewater," Smith said. "It was a high-risk, high-potential deal. And I'd put commodities trading and hedge funds in the same category. Anyone who uses leverage in their investing and uses shorting is rightly perceived as an aggressive investor."

In part, analysts say, the Clintons' investment strategy reflected their unique political lifestyle and the go-go impulses that prevailed during the late 1970s and early 1980s -- particularly in Arkansas, where firms such as Wal-Mart, Tyson Foods Inc., J.B. Hunt Transport and TCBY Enterprises were growing rapidly and creating new wealth.

Moreover the Clintons moved in a small, elite circle of the state's wealthiest citizens, many of whom were clearly willing to share their investment expertise with the aspiring young couple.

"It's not uncommon in the circles in which they traveled to make those sorts of risky investments," said Mark S. Rogers, a Little Rock tax attorney. "From the looks of their early investment decisions, they felt under pressure to live up to their reputation as rising stars."

It was Jim Blair, Tyson Foods' general counsel and a millionaire, who persuaded Hillary Clinton to enter the commodities market. And she has

acknowledged that his guidance helped her parlay a $1,000 investment into $100,000.

Likewise, James B. McDougal, a real estate developer and former thrift owner, has said he cut the Clintons in on the Whitewater deal in hopes of helping them to get rich quick. David Watkins, an advertising executive and former Clinton political adviser, was responsible for recruiting Hillary Clinton to invest in the cellular telephone franchise.

As their financial records show, the Clintons began married life in debt. Not only was Bill Clinton still paying off loans for his education at Georgetown University, Oxford University and Yale Law School, but he also had gone $25,000 further into the hole to mount an unsuccessful campaign for the U.S. House in 1974.

During a term as attorney general and five terms as governor, Clinton himself never earned more than $35,000 a year. Prior to becoming President, he reported his highest annual income of $55,000 in 1981 from the law firm of Wright, Lindsey and Jennings, where he worked for two years after being turned out of the governorship after his first term.

Nor, it seems, did Clinton pay much attention to the family finances.

Thus it fell to Hillary Clinton to be the main breadwinner, money manager and investor. She went to work for the Rose Law Firm in 1977, receiving $14,800 in salary that year. Her compensation quickly grew and exceeded $100,000 by the time she left last year.

The First Lady said she chose to invest because she had grown up reading stock tables with her father, who taught her the value of "income and saving and investing." At the time she began investing, Rogers said, the word among Arkansas investors was: "Buy Wal-Mart stock."

Yet despite her upbringing and the popularity of such local issues as Wal-Mart, Hillary Clinton did not begin by buying stocks. In fact, she made many of her riskiest investments long before she had sufficient disposable capital to be sure of covering her potential losses.

In 1978, the same year Clinton was first elected governor, the couple's combined wages totaled $51,173. Yet they put themselves in a highly precarious financial position by putting their money into two risky investments: Whitewater Development and commodities futures.

Even though Hillary Clinton was required to put down only $1,000 to begin trading in commodities futures, she herself has noted that she risked having to ante up thousands more had her trades been less successful. Likewise, to buy the Whitewater land, the Clintons and their partners, the McDougals, took out loans totaling $203,000 for which they were personally liable.

Also, between 1978 and 1981, Hillary Clinton purchased and sold 170 shares in DeBeers diamond mines in South Africa, with capital gains of $769. Her aides say the shares were purchased by her broker without her knowledge and were sold quickly because of her opposition to apartheid in South Africa.

In 1980, she put $6,500 into one of the hottest investments of that era -- an oil-drilling partnership. Until tax laws were changed in 1986, investors in such partnerships could share personally in the tax deductibility of the venture, with the prospect of big profits if the drillers struck oil.

Zack Hager, director of investor relations for Forest Energy Inc. in Denver, said Hillary Clinton was one of about 1,700 people -- including such luminaries as golfer Jack Nicklaus -- who bought into the company's first such oil-drilling partnership.

In 1983, she and two of her law partners, Vincent Foster and Webster Hubbell, put up $15,000 each to form a partnership known as Midlife Investors. Roy P. Drew, the stockbroker who set up the venture, said that by mutual agreement, the other partners -- not their spouses -- were designated as beneficiaries.

That same year, Hillary Clinton joined with a group of investors who obtained a federal cellular telephone franchise. In order to help the Arkansas Cellular group win the franchise, according to her fellow investors, Hillary Clinton not only bought a 2.5% interest with $2,014, but also personally guaranteed a $60,000 loan. When the franchise rights were sold to McCaw Cellular Communications Inc. for a profit of about $2 million, she got a check for $48,000.

In 1986, when Smith went into business for himself by creating Smith Capital Management, Hillary Clinton was one of the first investors in his Valuepartners fund, which buys stock on the margin and sells short. With 40 partners, it is a highly exclusive fund that is not marketed to the public. The Clintons' current stake in the $8.7-million Valuepartners fund is about $100,000.

Even though Hillary Clinton's investing gradually built her family nest egg into an impressive portfolio valued at something approaching an estimated $1 million today, many of her investments went sour.

Whitewater Development was by no means the only high-risk, speculative investment on which the Clintons lost money. Other losers included the partnership that owns the Rose Law Firm building, Forest Drilling Partners, Midlife Investors, Kaiser Steel preferred securities and an early venture in Hong Kong and Shanghai. She lost $2,532 in one day in 1987 with financial futures contracts.

The Clintons even lost money when they rented out a house they owned briefly in the early 1980s because the rent did not cover their mortgage payments. According to Lisa Caputo, Hillary Clinton's press secretary, the couple owned three houses at different times during the first eight years of their marriage, but did not keep any of them for very long.

Because mortgage interest payments are deductible, a home is the primary investment of most middle-class Americans. Although the Clintons lived much of their married life in the Arkansas governor's mansion, it is unusual for politicians not to have a permanent residence of their own.

As Rogers sees it, the Clintons made many investment mistakes in the early years of their marriage, but none as serious as their failure to take advantage of the law allowing couples to shelter up to $4,000 of pre-tax income in an independent retirement account, or IRA.

"That really glared at me when I read their tax returns," he said. "Here are people with access to the best tax advice, and they made the worst decisions."

Their failure to invest in IRAs until 1981 is particularly puzzling. Presumably the Clintons could have used the tax shelter during 1978 and 1979, when she made big profits in commodities. It is also unclear why the Clintons failed to take a capital loss on their taxes for the sum of about $40,000 they claimed they lost by investing in Whitewater Development.

It was not until the mid-1980s that the Clintons' investment portfolio began to resemble the typical holdings of couples in their income bracket, with a combination of safer investments such as municipal bonds and more speculative ventures such as Valuepartners.

Hillary Clinton frequently denies that Whitewater Development or any of her investments created a conflict of interest for the governor, who was responsible for regulating securities dealers and all other industries doing business in Arkansas.

Nevertheless, Smith told The Times that during the 1992 presidential campaign he created "a de facto blind trust" for the future First Lady to protect her from allegations that by investing in pharmaceutical and other medical stocks, she stood to profit from her husband's pledge to reform the health care system.

"I quit sending out reports on the securities in the partnership," Smith said. "I did it to avoid any conflict of interest. I didn't want them to be on the line."

The Clintons did not put their investments into a blind trust until after they moved into the White House in January, 1993.

The Clintons' Income

Despite relatively scant resources, the Clintons embarked on a high-risk investment strategy in the late 1970s that has paid off over time.

	WAGES	TOTAL INCOME	FEDERAL TAXES
1977	40,856	42,626	8,194
1978	51,173	85,214	22,627
1979	74,236	158,495	58,388
1980	81,388	87,556	17,380
1981	106,448	110,601	25,886
1982	90,536	95,731	21,497
1983	116,857	123,787	30,196
1984	107,989	114,585	22,280
1985	90,382	102,407	18,791
1986	124,138	147,051	30,485
1987	133,358	165,890	36,969
1988	106,870	191,947	39,734
1989	146,444	199,000	37,883
1990	159,711	268,646	50,939
1991	147,887	237,576	49,828
1992	237,699	297,177	70,228
1993	191,640	293,757	62,670

Source: Clinton family tax returns

LEVEL 1 - 5 OF 14 STORIES

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July 25, 1993, Sunday

SECTION: INTERNATIONAL; Pg. 21

LENGTH: 1127 words

HEADLINE: Death in Clinton clique In Italy and America, scandal and peer pressure surround suicides at the top

BYLINE: By Ambrose Evans-Pritchard in Washington

BODY:

THE route from the White House to the CIA is the most beautiful stretch of scenery in Washington. It threads its way past the austere monuments of the Founding Fathers, crosses into Virginia, and then hugs the south side of the Potomac River along a wooded boulevard known as the George Washington Memorial Parkway. Shortly before the sign to the CIA, on the bluffs above the river, there is a Civil War gun emplacement converted into a secluded and rather wild little park. It was here on Tuesday evening that the police found the body of Vincent Foster, Deputy White House Counsel, slumped against the wheel of an old brass cannon. He appeared to have shot himself in the mouth. The weapon, in keeping with the tone of the place, was an antique Colt revolver, dated 1913, for which ammunition is hard to come by. The suicide of such a key official, one of the half dozen or so people who form the innermost core of the Clinton team, is unheard of in Washington, and it has set off a flurry of conspiracy theories. Insiders in this city of rumours, leaks and skulduggery can talk of nothing else. A few speculate that it was murder, a possibility that the Justice Department is considering. Foster's ties to the President go back pre-Yale, pre-Oxford, to Miss Mary's kindergarten in the tiny town of Hope, Arkansas, where the two played together, along with a third little boy, Mack McLarty, now the White House Chief of Staff. The Foster family home, near the railway tracks, abutted the garden of the Clintons' frame house on Hervey Street. As the eldest of the precocious trio, Foster set the standard of excellence for the others to follow. Quiet, dutiful, reserved, he graduated top in his class at the University of Arkansas, top in the bar exams, before ultimately becoming the most sought after commercial lawyer in the state. Nobody ever saw him fluff a case. "He was the Rock of Gibraltar," said President Clinton, struggling to come to terms with a tragedy that had knocked away one of the props of his life - the elder brother he never had. Who knows what pangs Mr Clinton must feel for having cajoled his friend to leave Little Rock - if that is what happened - giving up a salary of $ 295,000 and a balanced life as patron of the symphony orchestra for the poor pay and brickbats of service in the White House? Mr Foster's wife, Lisa, was wary of the move to Washington - that graveyard of middle-aged marriages. "She didn't want to go," said Alston Jennings Snr, Dean of the Arkansas Bar and a friend of the family. "She was worried about the youngest child: he hadn't finished high school." The "steer" from the White House late last week was that Mr Foster had been unprepared for the ferocious, eye-gouging coverage of the national media, that he had blamed himself for a series of slip-ups in vetting nominees, and that he had succumbed to the pressures of work-days that began at seven in the morning and rarely ended before 10 at night. But nobody in the White House press corps believes it. Something else lies behind the mystery, and the hunch is that it may touch upon the First

Lady. When Hillary Clinton first moved to Little Rock in 1977, it was Vince Foster who helped to recruit her to the Rose Law Firm - where she became a specialist in 'intellectual property'. Rose, the oldest law partnership west of the Mississippi, older even than the State of Arkansas, is no ordinary law firm. It is the instrument of a small, tight-knit oligarchy, exercising a sort of Latin American monopoly over the affairs of the state. As critics pointed out in the campaign, there was a conflict of interest for Hillary to be working for the chief "fix-it" firm of Arkansas at a time when her husband sat on the other side of the table as Governor of the state. She invoked a woman's right to pursue a career, however, and the story died in the American media. To this day, it is the height of Political Incorrectness to doubt in any way the rectitude of Hillary Clinton, even though an audit of the Clinton tax returns by the American Spectator shows that the couple's only successful investments in the 1980s were from windfall profits from joint ventures - such as Arkansas Cellular Communications - in which state licensing and regulatory powers were crucial. (It also discovered that she claimed tax deductions for old clothes donated to charity - $ 3 for Bill's used vests, and $ 1 for his underpants.) In 1983, Hillary Clinton, Vincent Foster and Webb Hubbell (another Rose partner) opened a partnership called Midlife Investments, putting up $ 15,000 each. The White House has yet to release documents detailing the activities of Midlife, which continued functioning until 1991. One of Vince Foster's jobs at Rose was to handle the firm's mega-client, Stephens Inc, an Arkansas-based global conglomerate involved in real estate, oil and gas, agriculture, and financial services, including the underwriting of state bonds. It was Stephens Inc that bankrolled Bill Clinton's bid for the presidency, using its immense leverage to raise money around the country, at one point providing a $ 3.5 million line of credit. Stephens Inc is being investigated by the Federal Reserve for banking violations. After the election, eyebrows were raised when the Clintons installed their closest friends from the Rose law firm in key positions at the Justice Department and the White House. Among them is Foster's deputy, William Kennedy, and Webb Hubbell (again) - widely considered to be the real power running the Justice Department, with Janet Reno as a figurehead. Foster's sister, Sheila Anthony, is to be in charge of legislative issues at Justice. Hillary's feminist room-mate from university, Eleanor Acheson, is to be in charge of picking federal judges. The culture of the Arkansas-Rose coterie was exposed in the Travelgate affair, when the White House counsel's office was involved in a scheme to sack seven employees - accusing them unjustly of having their hands in the till - in order to give the travel business to friends and cousins of the Clintons. When this went wrong, it tried to use the FBI for political cover. An internal investigation by the White House revealed that Hillary Clinton had been kept informed about the Travel Office all along, and by none other than Vince Foster. We have not heard the end of this story. Doubtless Hillary Clinton's main motive for putting intimate friends in top legal posts is her keen sense of how the law can be used in the US to drive through an ideological agenda. But as we have seen, it is a slippery slope once the legal agencies of government become politicised. One wonders whether Vince Foster, loyal to a fault, had been drawn ineluctably into something that had got out of hand.

LEVEL 1 - 4 OF 14 STORIES

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HEADLINE: FIRST LADY IN SPOTLIGHT FOR HER ROLE IN WHITEWATER;
INQUIRY: HER REPUTATION AS A TOP CORPORATE LAWYER SEEMS TO CONFLICT WITH HER PURPORTED NAIVETE ABOUT HIGH FINANCE.

BYLINE: By JOHN M. BRODER and JAMES RISEN, TIMES STAFF WRITERS

DATELINE: WASHINGTON

BODY:
As the White House struggles to contain the controversy surrounding the First Family's involvement in the tangled Whitewater real estate and banking affair, First Lady Hillary Rodham Clinton's role has begun to raise as many questions as her husband's.

Indeed, the Whitewater matter now seems to be a controversy befitting the Clintons' modern, two-career political marriage: Just as the First Lady has played a critical role in major policy decisions on health care and other issues, she now finds herself a central figure with her husband in this politically threatening affair.

It is Hillary Clinton's independent career as a top attorney in Little Rock, Ark., while her husband served as governor -- and her reputation for being the financial brains of the household -- that have prompted questions about her role in the Whitewater matter.

Even friends in Arkansas are wondering why she has not come forward with a fuller account of what she did and what she knew at the time the events in Arkansas were unfolding.

"I don't know why she hasn't been more open about explaining" her work as a lawyer for the defunct savings and loan at the center of the affair, said Beverly Bassett Schaffer, a former Arkansas state regulator and longtime acquaintance. "I don't understand why they (the Clintons) were in business with someone like McDougal," the thrift's owner.

James B. McDougal, a friend of Clinton's, owned Madison Guaranty Savings & Loan and was half-owner with the Clintons in an Ozark Mountain real estate venture called Whitewater Development Corp.

The President and Hillary Clinton have said they were innocent bystanders as McDougal drove his lending institution into the ground with a binge of bad loans and frittered away nearly $70,000 of their assets on the bankrupt Whitewater project.

Unresolved, though, is the mystery of how to reconcile this image of naivete in the world of high finance with Hillary Clinton's reputation as a top

corporate lawyer and board member of some of the nation's biggest corporations.

The question being asked more openly in Washington and Arkansas is: How could Hillary Clinton -- whom one legal journal called one of the 100 most influential lawyers in the United States -- be unaware of gross mismanagement at a savings institution she represented as an attorney and neglect her family's only substantial financial asset?

Those questions intertwine with a web of others as federal investigators continue their inquiry.

Specifically, they are trying to determine whether, amid the careening disorder in the runaway S&L and Whitewater, money from a federally guaranteed thrift was diverted into Clinton's 1984 campaign coffers. Also, there is the matter of whether the institution got favorable treatment from Arkansas authorities that helped keep it in business before federal regulators finally shut it down in 1989.

It is Hillary Clinton's role as a former attorney for the savings and loan that has raised concerns about her actions.

McDougal, who worked with Clinton in Sen. J. William Fulbright's office in the 1960s, bought Madison Guaranty in 1982 and soon began using it to make loans to important figures and to finance an assortment of speculations including his 4-year-old Whitewater venture with the Clintons, according to records filed with state regulators.

Before long, the S&L was on dangerous ground, and in 1984 federal regulators warned that they considered its lending practices questionable. The Federal Home Loan Bank Board directed the S&L -- along with others in Arkansas -- to raise more capital and put its house in order.

McDougal hit upon a quick way to raise money: selling stock. But that was not normal practice for savings and loans in Arkansas, and the proposal needed approval from the Arkansas Securities Commission. So McDougal had Little Rock's Rose Law Firm -- and specifically partner Hillary Clinton -- make his case for the stock sale to state regulators.

The White House has acknowledged that Hillary Clinton, then on a $2,000-a-month retainer with Madison Guaranty, worked on the proposal in 1985. But senior presidential adviser Bruce Lindsey said her involvement was minimal and that most of the legal work was done by a junior associate, Richard N. Massey, then a 28-year-old, first-year lawyer at the firm.

Joe Madden, the current commissioner of the Arkansas Securities Department, said there are at least three Rose Law Firm documents to the commission that refer questions back to either Hillary Clinton or Massey. But he said the case was fairly routine and that a "competent first-year attorney (as Massey was at the time) could have been primarily responsible for doing the research and doing the drafting."

Schaffer, who had just been appointed securities commissioner by then-Gov. Clinton when the case arose, said Massey handled meetings with her staff and that Hillary Clinton was the only senior attorney at the Rose firm with whom she or her staff communicated.

Ultimately, Schaffer and her staff decided that the unusual capital-formation plan did not violate Arkansas law and approved it. Because of its growing financial problems, though, the plan was never carried out by the thrift.

Schaffer, now an attorney in private practice in Fayetteville, Ark., said she did not feel pressured to rule favorably because the governor's wife was involved in the case.

But she expressed frustration at her old friend's seeming hesitation to publicly explain her role as a senior attorney in the case and thereby allow suspicions to grow.

Repeatedly, Hillary Clinton has insisted that questions arising from private matters a decade or more ago are not a fit subject for public scrutiny. She has refused to respond to any detailed inquiries, including the central one: whether it was proper to represent a business partner before a state regulatory board run by a personal friend and appointee of her husband's.

She has expressed bewilderment that the press and investigators are interested in the aftermath of a money-losing private real estate investment.

Jack Pitney, a political scientist at Claremont McKenna College in Claremont, said the First Lady's response created a credibility problem. It is difficult, he said, to believe she would ignore a major family investment and overlook a potential conflict of interest.

"She can't just throw her hands in the air and say she doesn't understand all this legal stuff. She can't claim ignorance of legal details," he said. "It is not a credible defense. Her involvement is a fix of her own making."

Friends and associates said the two images of Hillary Clinton -- meticulous lawyer and absent-minded investor -- are not mutually exclusive. While she was a keen professional at work, she had little interest in acquiring wealth or closely monitoring her family's finances, according to her defenders.

Lindsey, a longtime Arkansas friend of the First Family, said the Clintons got into the Whitewater deal on the assumption that McDougal would manage the property and the Clintons would simply make payments periodically on loans taken out to purchase the undeveloped land.

"They went into a real estate development with a developer with the clear understanding that he would manage the investment and with the clear understanding they would be passive investors," Lindsey said.

"When they were asked to write a check to Citizens Bank of Flippin (Ark.) or even to the McDougals when McDougal said there weren't sufficient funds from property sales to cover that month's mortgage payments, that didn't seem unusual."

He said the Clintons were aware that the property appeared to be losing value, but rather than questioning McDougal or seeking detailed financial statements on the deal, they just wrote it off as "bad business judgment," Lindsey said.

Another family friend's assessment is that neither of the Clintons was interested in getting rich; they concentrated through the 1980s on Clinton's political career and his wife's policy crusades.

"They don't know beans about business," said this Arkansas friend, who asked to remain nameless.

According to McDougal, the Clintons early in 1985 expressed interest in Madison Guaranty's affairs -- as well as their personal enrichment -- and sought the thrift's legal work for the Rose Law Firm. McDougal said he put Hillary Clinton and the Rose firm on the $2,000-a-month retainer at then-Gov. Clinton's request -- a claim the White House has denied.

In 1988, when Madison Guaranty clearly was on the verge of failure and McDougal was suffering personal problems, records show that Hillary Clinton wrote to McDougal to seek power of attorney over all Whitewater-related business.

She received that power but apparently did not use it until 1992, when she authorized Rose firm law partner Vincent Foster to work on Whitewater's delinquent tax returns.

In an unrelated case, she took a distinctly active role in a family investment involving much less money. In 1983, she, Foster and Webster L. Hubbell, another law firm partner, formed an investment partnership called Mid-life Investors, with each contributing an initial $15,000.

Roy P. Drew, a stockbroker who helped them set up the venture, said neither Foster nor Hubbell later expressed much interest in the performance of the partnership but that Hillary Clinton called frequently to ask about her investment, at times phoning him daily with questions and instructions.

The partnership eventually foundered, paying annual dividends of between $2 and $20 from 1986 to 1992, according to the Clintons' income tax returns. Lindsey, who follows the Clintons' personal business closely, said he knew virtually nothing about Mid-life Investors except that it was an insignificant part of the family's portfolio.

Some of the White House defensiveness about Whitewater questions over the last three weeks can be attributed to concern for Hillary Clinton's potential exposure to political damage.

The chief item on the White House agenda for 1994 is the health care reform initiative, which the First Lady has headed.

White House aides -- and ultimately the Clintons -- concluded this week that until questions are resolved about the First Family's business matters, little progress can be made on affairs of state, officials said.

"There ain't going to be no health care campaign if they don't get Whitewater out of the way," said Betsey Wright, Clinton's former gubernatorial chief of staff and an informal adviser.

Times staff writer Thomas B. Rosenstiel contributed to this story.

Los Angeles Times, January 16, 1994

* WHITEWATER CHRONOLOGY: A look at the Clintons' involvement in the Arkansas real estate and banking venture. A18

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As for Giroir, his troubles were far from over. In 1986 he was revealed to be a shareholder in and a substantial borrower from a Pine Bluff thrift called FirstSouth, the first billion-dollar S&L failure in the country. Before the dust had cleared, the head of FirstSouth had gone to jail together with a former president of the Arkansas Bar Association, and Giroir had sued the federal regulators while the federal regulators were suing him, putting a considerable crimp in the plans of his partners, Hubbell and Foster, to create a lucrative practice in the cleanup of the S&L crisis. (At failed S&Ls, the fees for firms like Rose could be enormous. According to one frustrated federal investigator, private lawyers in Dallas were making $ 500,000 per month from the thrift catastrophe, more than the total annual budget for the federal cleanup effort in the entire state of Texas--and in Arkansas, where lawyers were cheaper, the damage per capita was among the worst in the country. Somehow, Governor Clinton escaped criticism for this interesting fact.) It was clear that Joe Giroir, who had built the modern Rose Law Firm, was now the partnership's greatest liability--the firm's reputation aside, federal regulators charged that Giroir had used Rose letterhead to give FirstSouth legal advice beneficial to himself; Rose was forced to settle with the Federal S&L Insurance Corporation regulators for a reported half-million dollars--although once again there is a contradictory official version of his abrupt departure.

Giroir once claimed that he left the firm voluntarily but will no longer comment on the matter. The Rose firm fell abruptly silent on this and all other subjects following recent allegations that it had shredded its Whitewater files, but its spokesman told American Lawyer in 1992 that Giroir departed in a coup arranged by litigators who were miffed that he and the firm's other rainmakers were paid substantially more than the lawyers who actually did the scut work in court--litigators prominently including Hubbell, Foster and Rodham Clinton, who actually seemed to be engaged in very little legal work at all.

With the departure of Giroir, life at Rose became quieter if no less active. The three partners became the firm's public face to the world. The most physically imposing and locally active of these was Hubbell, a six-foot, five-inch giant of a man who had played football for the University of Arkansas, had almost made it into the big time with the Chicago Bears, had served briefly as mayor of Little Rock (when Rose received a significant portion of the city's bond business) and had received an interim appointment as chief justice of the Arkansas Supreme Court from Governor Clinton. (According to a reliable source, Hubbell's father-in-law, Seth Ward, a septuagenarian self-made entrepreneur, once complained that keeping Hubbell in politics cost him $ 100,000 a year.)

The second was Foster, once described as an immaculately brown-suited man in an immaculate brown office, who was regarded as the "soul" of a firm that, according to grand jury testimony, shredded volumes of his records the moment an independent federal prosecutor appeared in the vicinity. The last was Rose's first female partner, Rodham Clinton, who occasionally did some lawyering in the intervals when she wasn't working for the Children's Defense Fund, attending to her personal business affairs or serving as the governor's first lady. The three were described to American Lawyer as "big, big buddies"; Rodham Clinton's office was next door to Hubbell's, and much of her work was actually done by Foster. The three also were closely entwined in a curious financial arrangement. This was Mid-life Investors, a partnership set up by E.F. Hutton in 1983. Hubbell, Foster and Rodham Clinton each kicked in $ 15,000 and named each other--rather than their spouses--as beneficiaries. But although the fund was active at least until 1991, Rodham Clinton reported annual dividends of under twenty dollars

from Mid-life Investors, a sum that comes as a surprise to Roy Drew, the financial counselor who supervised the partnership and invested its money in such 1980s takeover candidates as Diamond Shamrock and Firestone Tire. According to Drew, with the likes of Sir James Goldsmith and the Japanese offering huge sums for the stock of Shamrock and Firestone, there was no way Mid-life Investors could have failed to reap substantial profits.

Although Rodham Clinton was a litigator--that is, a lawyer whose task is to appear in court, if only to force the other side to settle--and an attorney who was named one of the 100 most influential in the country by the National Law Journal in 1988 and 1991, she was almost never seen in the courtrooms of Little Rock; some court reporters remember an occasional appearance, and one could not remember having seen her at all. According to a search conducted by American Lawyer, she tried just five cases during her fifteen years at Rose; other published sources say her work revolved around copyright infringement cases involving songwriters and bread companies. But paradoxically, in view of what happened to Giroir, she (like Giroir) received extra compensation for the business she generated from her extracurricular activities, even if she did not work on the cases at all.

For example, she was only one of two Rose partners to act as a corporate director, serving at various times on the boards of four companies and earning $ 64,700 in 1991 from director's fees alone. (Her 1991 salary from Rose was in the vicinity of $ 110,000; her husband earned $ 35,000 and got to live in a free house.) She was on the board of Wal-Mart, a Rose client that Stephens had launched on the road to glory. (Rodham Clinton also owned $ 80,000 worth of Wal-Mart stock.) She served Southern Development Bancorp, a holding company created to give development loans in rural Arkansas, which, according to The Washington Post, paid Rose somewhere between $ 100,000 and $ 200,000 in fees. In 1989 she joined the board of TCBY yogurt company, which occupies the tallest building in Little Rock. TCBY then proceeded to pay Rose $ 750,000 for legal work during the next few years. Last, and puzzlingly, she was a director of Lafarge, a giant French cement company that had no discernible connection to Arkansas except, like Stephens Inc., it was engaged in burning hazardous waste. (As president, Bill Clinton did nothing to stop operation of an Ohio waste incinerator, partly backed at one time by Stephens Inc., despite the fact that it didn't work, had no legal permit and his own vice president had promised that it would never operate until it was thoroughly investigated, which it wasn't.)

With Rodham Clinton aboard at Rose, the firm's long established connections to the governor's office were made firmer still. Rose, the gold standard of Arkansas law firms, had long enjoyed unusual access to the state's corridors of power. It both advised and did the bidding of the powerful family that acted as the state's shadow government, and during the Clinton years, the Rose Law Firm sometimes behaved as though it were an agency of the state rather than a legal partnership with offices in a converted YMCA.

The intimate connection between Rose, Stephens Inc. and the governor's office may help explain how the Stephens family made a vast amount of money when its most visible enterprises were doing no such thing. The investment bank had hit a gusher when it took Wal-Mart public, made a pleasing sum on the stock of Tyson Foods, the nation's largest chicken processor, but otherwise cut no great swath in the stock market. Until recently, Worthen was a disaster area. At least part of the answer for the family's continued prosperity seems to reside in the unusual way Bill Clinton's state dealt with Stephens Inc.'s old specialty,

government bonds.

IV.

The crown jewel of Bill Clinton's avowed attempt to create industries and jobs in the state was an unusual entity called the Arkansas Development Finance Authority (ADFA). According to well-established common law, a government-chartered authority is supposed to be an independent body, insulated from the hurly-burly of everyday political life and its temptations. But ADFA, written into law with the help of Webb Hubbell, was no such thing. All ten members of its board were appointed by the governor. Though it was specifically granted the power to issue industrial development bonds, the governor, personally, was required to approve every bond issue. State agencies with the ability to issue industrial bonds are supposed to distribute the money (and thus create jobs and wealth) to companies and individuals who can't receive lines of credit on favorable terms from the usual financial institutions or venture capitalists. On significant occasions, however, ADFA spread its bounty to less than deserving clients. Nor do the peculiarities of this body end here.

Although it issued bonds, ADFA did no due diligence--the common practice of engaging an outside financial expert to examine the applicants for the proceeds and determine if they actually need the money and are otherwise worthy recipients. (Due diligence, according to an ADFA spokesman who happens to be the brother-in-law of one of Witt Stephens's daughters, was the responsibility of the purchasers of the bonds under the ancient principle of caveat emptor--a practice that had previously helped the region's bond daddies flourish and had wiped out the capital of the Worthen bank.) While its spokesman is a little fuzzy on the subject, it seems that there was no regular ADFA oversight to ensure that money was being spent according to the original purpose of the loan, although an ADFA employee might occasionally be sent into the field to discover if everything was tickety-boo.

It is also somewhat difficult to discover just what ADFA was actually doing. A recent examination of the log kept at ADFA headquarters for the enlightenment of wandering reporters and inquisitive citizens reveals just twenty-five bond issues from 1985 to the present--or twenty-six, if you count the paperwork on a bond issue that was removed in a reporter's presence. Moreover, the log suggests that ADFA was heavily involved in good works with religious orders. But according to the Los Angeles Times's count of ADFA's activities, the authority released seventy industrial bond issues--according to my count, the number is sixty-five--none of them to religious charities or university hospitals, and most of them missing from the official log. Which begs the question: Just what was ADFA doing with the $ 719 million it dispensed (or whose dispensation it authorized) as of January 1992?

"ADFA," says Larry Nichols, a dismissed authority official, "was set up by Clinton for Dan Lasater." Now, it should be borne in mind that Nichols is something of an Arkansas character and, in some circles, a figure of fun. A well-known supporter of the Nicaraguan contras, Nichols was also the person who originally alleged that Clinton had an affair with Gennifer Flowers and four other women, only to destroy his credibility when he retracted his charges in a document remarkable for its abject contrition. But there are those in Arkansas who insist that Nichols is neither entirely a vindictive nut nor the sort of notorious regional liar who has to hire a man to call his own dog. "You ought to listen to Larry Nichols," says a Little Rock political consultant. "He says a

lot of things, but sometimes he tells you something you really need to know." And, certainly, there is something intriguing about Bill Clinton's relations with Lasater, a man no governor in his right mind would let in the front door.

If Dan Lasater was not the largest cocaine user in the state of Arkansas, he was certainly the most conspicuous one. A prosperous Little Rock bond dealer, he was an acquaintance of the Clinton family and a contributor to the governor's political fortunes. Lasater distinguished himself in other ways, too. He served ashtrays full of cocaine at parties in his mansion, stocked cocaine on his corporate jet (a plane used by the Clintons on more than one occasion) and later told the fbi that he had distributed cocaine on more than 180 occasions. "I shared my success ... in that manner," he explained.

He was also a patron of Governor Clinton's cocaine-using half-brother, Roger, employing the younger man in his thoroughbred racing stables in Florida and claiming that he gave Roger Clinton $ 8,000 to pay off debts to drug suppliers. By 1985 it was also known that Lasater was the subject of a police investigation that, even the most uneducated guess would suggest, could end in only one way. But that year, Governor Clinton deemed Lasater worthy of handling a $ 30.2 million bond issue to modernize the state police radio system, despite the fact that the expenditure would normally be made by an appropriation from the treasury and the fact that Lasater was about to be busted. Nonetheless, Clinton vigorously lobbied the legislature, ignored the wishes of the Stephens family and won the day, giving Lasater & Co. a handsome $ 750,000 underwriting fee, according to the Los Angeles Times. In 1986 Lasater was sentenced to two and a half years in prison, with Roger Clinton testifying against him at his trial. In 1990 he received a state pardon from Governor Clinton.

For whatever it's worth, one of the few people to have access to the office of the late Vincent Foster during the three days it was unsealed following his suicide was White House official Patsy Thomasson, who managed Lasater's business affairs while he was in jail. But in the Clinton system, perfected in Little Rock and now being practiced in Washington, none of these things should be considered a mistake or an aberration.

Lasater was not the only strange thing about the Arkansas bond business during the time of Bill Clinton. Whenever a normal state issues bonds, there are many ways for a variety of people to get well on the public nickel. The beneficiary of the proceeds receives a loan at below-market rates. The financial institution that sold the bonds receives underwriting fees. For each bond issue, an outside attorney is engaged to certify that the deal conforms to the law and prepares the documents required by the Internal Revenue Service and the federal treasury. A bank is chosen as trustee for the money, collecting the repayments from the lucky borrowers and making the repayments to the purchasers of the bonds. And the borrower itself almost invariably retains a lawyer. But when one examines the activities of ADFA, a certain pattern emerges concerning at least some of the beneficiaries of Arkansas largess.

For example, one of the very first ADFA bond issues provided $ 2.75 million to pom, a manufacturer of parking meters in Russellville, whose president happened to be Seth Ward II, the brother-in-law of Webb Hubbell. Despite the fact that Hubbell was chairman of the conflicts committee at Rose, he seemed to see nothing amiss in the fact that Rose then collected a fee as ADFA's certifying attorney or that he himself served as pom's attorney. Nor did Hubbell seem to see anything unusual in the fact that he was representing the

Resolution Trust Corporation in its case against the auditors of Madison Guaranty, despite the fact that his father-in-law, the senior Ward, had not repaid millions in loans from the thrift, or that Ward had received an airplane from Madison in the bargain.

Between 1985 and mid-1992 Stephens Inc. was involved in the underwriting and sale of 78 percent of ADFA's housing and industrial bonds, an unsurprising figure considering the firm's familiarity with the market and its clout in the state. Still, considering Stephens's involvement in the authority's affairs, Governor Clinton did not appear to feel that it was ever so slightly wrong to appoint two Stephens associates--a vice president of one of Worthen's banks and a vice president of a chain of nursing homes partly controlled by the Stephens empire--to ADFA's ten-member board. Nor did the man who signed off on every single ADFA bond issue exhibit suspicion when Stephens seemed to be supplementing its brokerage fees by helping itself to ADFA's money in the form of favorable loans. Meanwhile, at least another member of the board, the vice president of Twin Cities Bank, an institution that served as trustee in one of ADFA's tangled deals, appeared to take a similar double-dip. And the governor's wife's law firm was not only receiving a healthy chunk of ADFA's legal business, but Rose apparently found nothing wrong with affiliates of Stephens receiving ADFA money, or with the fact that on not one but two occasions, ADFA issued bonds that benefited the relatives of Rose partners.

In 1988 and 1989 ADFA lent a total of $ 1.37 million to the Pine Bluff Warehouse Company. Rose received $ 22,321 in legal fees from ADFA. The trustee bank was Worthen's National Bank of Commerce in Pine Bluff, whose vice president sat on the ADFA board and whose chief executive officer was not merely a member of Pine Bluff Warehouse's board but the father of a senior Rose partner, William Kennedy III, now associate White House counsel. Stephens, unsurprisingly, underwrote the bonds.

In 1989 ADFA loaned $ 4.67 million to Arkansas Freightways, whose largest outside stockholder was Stephens Inc. Co-counsel on the bond issue was Rose. The trustee bank's executive vice president was a member of the ADFA board. The underwriter was Stephens.

Also in 1989 ADFA tried to loan $ 83 million to a Texas entrepreneur for the purpose of bailing out Beverly Enterprises, the country's largest operator of nursing homes, 10 percent owned by Stephens, whose vice president sat on the ADFA board, at a time when Beverly's stock was being hammered by the company's persistent losses. A swift and decisive halt to the deal was called by Arkansas Attorney General Steve Clark, a rising political star who was expected to be a strong gubernatorial candidate in 1990, and who claimed that a Stephens-Beverly lobbyist had offered him a $ 100,000 bribe (as campaign contributions, of course) if he would just lay off and let the deal go through. The lobbyist was later cleared by an Arkansas court, but Clark was caught charging personal expenses on his state credit card. His political career in shambles, he was later disbarred. Current reports place him somewhere in the state of Georgia.

But these were only the most conspicuously questionable of ADFA's doings, the ones most easily understood by the public and the press. There was also the question of the true extent of Rose's involvement in the authority's bond business. According to the Daily Record, a Little Rock business journal, Rose ranked fourth among the law firms working directly for ADFA, with fees of only $ 175,000 for the years up to 1991. But not everyone agrees with this

assessment. When Frank White, the only man ever to defeat Clinton in a gubernatorial election, tried to repeat the feat in 1986, his campaign claimed that Rose had actually been in on every ADFA deal (for the authority or for the recipient) while Clinton was governor.

Unfortunately, the relevant data was assembled under the supervision of White's political consultant, Darrell Glasscock, a former Louisiana state official and a great supporter of the contras (an occupation that appears to have been an Arkansas cottage industry). Reached recently by phone, former Governor White, now an officer of Worthen's principal competitor, the First Commercial bank holding company, clearly wishes he had never heard of Glasscock, cheerily questions Glasscock's veracity and pleasantly turns aside any questions about Rose.

When a visitor to ADFA asks for the complete documentation on any particular bond issue, he is presented with a thick volume that, if placed on a chair, would allow him to dine with the grown-ups. A small sampling of these volumes reveals an interesting thing: every company examined, including pow, Arkansas Freightways, Pine Bluff Warehouse and Concert Vineyards appears to be eminently creditworthy. These are the sorts of enterprises that could walk in the door of any bank and walk off with any reasonable sum they needed.

Why, then--in addition to the mutual back-scratching described above--were they being given loans at below market rates by a desperately poor state with other uses for its money? This question takes added luminosity from the fact that ADFA really didn't work very well. The old Arkansas Industrial Development Commission, started by Orval Faubus, created 90,000 jobs in nine years. And it had no bonding power. After seven years under the Clinton regime and with tens of millions in issued loans, ADFA had created just 2,700 jobs, many at wages significantly below the national standard. This anemic showing obscures the fact that ADFA had yet another purpose: its generosity was returned in the form of campaign contributions for William Jefferson Clinton.

According to the Los Angeles Times, in the 1990 race for the governorship, the recipients of ADFA's largess contributed $ 400,300, nearly one-fifth of the Clinton war chest. They then kicked in with millions more for the presidential race. Outside Arkansas the white-shoe investment bank of Goldman Sachs, which later contributed its co-chairman, Robert Rubin, to President Clinton's inner circle of economic advisers, raised millions for the presidential race and even paid for a substantial hunk of the Democratic National Convention. According to ADFA's incomplete records, Goldman was either the lead or sole underwriter of at least $ 400 million in ADFA bonds. In addition, two of ADFA's board members were active Clinton fund-raisers, which raises yet another question among many: Wasn't this against the law? For once, the answer is terse and straightforward. Not in Arkansas.

Under the Arkansas ethics-in-government act, passed in 1988 and, according to state legislators, either drafted or inspired by Hubbell, state legislators were required to report possible conflicts of interest. Surprisingly, the law specifically exempted the governor and other elected or appointed officials, including officials of state agencies and commissions. Moreover, these officials were not even required to report dealings with entities--such as Rose--that employed their relatives. This was not the only remaining service that Rose had provided to the governance of its state. When the time came to rewrite the state's incorporation laws, it was Rose that drew up the 397-page treatise

that formed the basis of the legislation.

Well, somebody has to draft a state's legislation, and under Arkansas's unusual ethics law, it was perfectly all right for Rose to do just that. Less clear (if anything in these murky waters can be described as clear) is just why Clinton seemed so eager to assist the Stephens family, which was hardly enamored of the man and kept bankrolling the candidates who ran against him for governor until it experienced a change of heart in 1990. Witt Stephens habitually referred to Clinton as "that boy." In a moment of candor his brother Jack once remarked that "it would be awfully easy for Stephens, if we wanted to be close to a governor, to be close to Bill Clinton." Nonetheless, the Clinton governorship's assistance to Stephens extended well beyond ADFA. During Clinton's years in Little Rock, the Stephens interests were involved in some 61 percent of the $ 7 billion of all the state bonds issued in Arkansas.

Contrary to state law, Stephens Inc., according to the Arkansas Democrat-Gazette, was given the underwriting for the state university system without competitive bids from other bond dealers. The Fayetteville campus alone, where the Clintons had once taught law, had $ 33 million in bonds outstanding. Under Clinton, Stephens devised a plan to rescue the state's troubled student loan authority, in which the authority's bonds would be bought by the state employees' retirement funds. An independent consultant--Roy Drew, the very man who created Mid-life Investors for Hubbell, Foster and Rodham Clinton--was brought in to examine the deal. Drew thought it was a terrible investment and so did the state's auditor, Julia Hughes Jones. But Drew was dismissed, Jones's budget failed to pass the legislature (the first time ever for an Arkansas state auditor) and she began to receive late-night harassing calls from a collection agency--concerning, ironically, her own daughter's student loan, which was current. In the upshot, the retirement funds bought $ 100 million of the loan authority's bonds, another $ 100 million in the bonds of two other state agencies, ADFA was given the task of overseeing the retirement fund's investment policies and Stephens Inc., according to The Philadelphia Inquirer, made $ 1.8 million.

These were very considerable favors to a family that not only bankrolled Clinton's opponents but seemed to despise him as a man. But Bill Clinton's canny instinct that the Stephenses needed to be appeased--rather than ignored--eventually paid off. After Clinton's unexpected loss in the New Hampshire primary, with the campaign coffers bare, the staff paying its bills on their personal credit cards and federal matching funds just beyond reach, the Worthen Bank rescued the candidacy with a prearranged $ 3.5 million line of credit, selflessly advanced at a lucrative rate of interest. Later, Worthen--whose executives, like many Stephens executives, experienced a spasm of Arkansas patriotism that caused them to reach for their checkbooks--became the Clinton campaign's depository of $ 55 million in federal campaign funds, which, in effect, was free money. Worthen did not have to pay any interest on this staggering sum, but as long as it was on deposit (and as long as Worthen, with its undistinguished track record in the department of government deposits, managed not to lose it), the bank was free to use it to make itself some money that it got to keep.

And when the votes were counted, everybody who wanted to go to Washington got to go to Washington: Bill Clinton and Hillary Rodham Clinton, president and First Lady; Mack McLarty, White House chief of staff; Vince Foster, deputy White House counsel; Webb Hubbell, associate attorney general; Patsy Thomasson, a

White House aide. Jack Stephens, though mentioned as a candidate for secretary of the treasury, had, it now seems safe to say, the good sense to stay home.

Oh, and one last thing: when Whitewater special prosecutor Robert Fiske--who once defended Clark Clifford, the famed friend of Jack Stephens's old client, BCCI--arrived in Little Rock, something strange happened. Worthen Bank had a fire.

Is this a great country, or what?

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LEVEL 1 - 23 OF 67 STORIES

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SECTION: NATIONAL AFFAIRS; Pg. 24

LENGTH: 2127 words

HEADLINE: HILLARY'S TROUBLE;
THE QUESTIONS

BYLINE: HOWARD FINEMAN with ELEANOR CLIFT and BOB COHN in Washington and MARK HOSENBALL in Little Rock

HIGHLIGHT:
The First Lady can no longer distance herself from Whitewater. She's at the center of the political and business deals being examined by the special counsel.

BODY:
HILLARY RODHAM CLINTON and Bernard Nussbaum are old friends, and they agree about many things, especially Whitewater. Two tough-minded corporate lawyers trained to abhor disclosure, they never were eager to turn over documents. They stoutly resisted the appointment of a special Whitewater prosecutor. Hillary helped to choose Nussbaum a year ago as White House counsel, and for a time last week, she fought to preserve his job. Only on Friday did she accept the inevitable, inviting him to her office for a solemn chat. He still thought he could hang on, but a few hours later he found himself in an exit interview with the president.

The ironies of history sometimes are excruciating. In the winter of 1974, Hillary Rodham and Bernie Nussbaum were both lawyers on the staff of the House Judiciary Committee's inquiry into the impeachment of Richard Nixon. Although only the Clintons' spiteful enemies equate Whitewater with Watergate, some of the parallels are obvious -- and the questions about Hillary's role are numerous. She has been accused of no crime. But she is a recurrent thread in the weave of deals, political friendships and business associations being examined by Whitewater special counsel Robert Fiske.

Four of the 10 officials subpoenaed to testify on their efforts to manage the Whitewater scandal are Hillary's employees or allies: her chief of staff, Margaret Williams; her press secretary, Lisa Caputo; White House deputy chief of staff Harold Ickes, and Nussbaum. Fiske intends to re-examine the suicide of one of her closest confidants, Vincent Foster Jr., a White House deputy counsel who was working on the Clinton family finances when he died. Fiske is also looking at state business deals and legal work done in Arkansas by Associate Attorney General Webster Hubbell and associate White House counsel William Kennedy. Like Foster and Mrs. Clinton, both were partners at the respected Rose Law Firm in Little Rock, which is itself in turmoil -- and fending off accusations that its clerks shredded documents relevant to Whitewater, including those belonging to Foster.

Since the beginning of her husband's presidential campaign in 1991, Mrs. Clinton's view was that her career and financial dealings were strictly

private concerns. Throughout the campaign she refused to answer questions about them. Now, in Washington, her distrust of the press has become obsessive and politically risky. Her stonewalling has lent further credence to the speculation that the Clintons have something to hide. She had to be overruled by the president himself on the question of a special counsel. He made the decision on a transatlantic call while he was in Prague on Jan. 11.

Advisers say that no staffer wants to be the first to talk bluntly to Mrs. Clinton because of the "fear wall" around her. Friends say she can't see-or won't acknowledge that her own actions contributed to the problem. "Where are our friends?" she lamented at a small dinner party recently. "Why isn't anyone defending us?"

The reverse of voluntary disclosure is underway, as investigators and reporters sift through Hillary's records for evidence of conflicts of interest in her law practice, misreported income on her tax returns or even funds funneled to her and her family by S&L owner James McDougal. "She'll come out looking bad," frets a White House aide. "The only question is how bad."

Atmosphere of tension: The new controversies have left their mark, both on her personally and on the atmosphere at the White House. "For the first time, someone has questioned her skill as a professional," says an administration official. "You can see the pain in her bearing. She's lost a bit of her bounce." As if to underscore the atmosphere of tension in the White House, late last week Hillary fired with no notice -- a seven-year veteran of the ushers' staff because she reportedly felt "uncomfortable" with him. And her role in Whitewater is adding to White House friction between "Bill's people" and "Hillary's people." There is growing resentment among her friends of what they call "the white boys" who constitute the president's circle. "They're not focused on spinning and protecting her," complains one friend.

Even some of her admirers in Washington are searching for deeper causes for her secrecy. Hillary was exceedingly ambitious for herself and her husband, and was the main family breadwinner for years. Reared in a thrifty home, married to a spouse with a casual attitude about money, she developed a perhaps excessive concern for her family's finances. In the '80s, during the shakiest times in their marriage, her concern for financial security may have been even more urgent. The question now is whether any of those pressures led her to cross ethical lines in various legal and business deals-and whether she used her husband's role as governor of Arkansas to help her do so.

Friends say that it was Bill's idea to invest in Whitewater, the project of McDougal, a longtime Clinton political ally. But it was left to Hillary to help keep the project afloat. A $ 30,000 loan to build a model home on the site was taken out in her name in 1981.

Starting in the mid-'80s, Mrs. Clinton became involved in the gamy world of banking and S&L law. One former lawyer at Rose says Hillary was determined to earn her share of that booming business, despite the risk of being involved directly with contributors to and supporters of her husband. "It was where the action was, and she wanted part of it," said the lawyer. Foster and Hubbell, with whom she had worked closely, oversaw much of that business- representing banks and S&Ls, and later representing the government in liquidating the same type of institutions.

The Clinton campaign denied it in 1992, but Hillary was involved in McDougal's effort to win state permission in 1985 for a new financing plan for his thrift and a scheme to set up a brokerage house. Though the "vast majority" of the work was handled by another lawyer, White House aide Bruce Lindsey told NEWSWEEK, her name appeared on two Rose documents related to McDougal.

The problems for Mrs. Clinton are these: she was a business partner of McDougal's -- not just his lawyer on a $ 2,000-a-month retainer. That in itself is a potential conflict, since she had a personal interest in keeping him solvent. More important, she was corresponding on the matter with a state banking regulator, Beverly Bassett Schaffer, who had been appointed by Hillary's husband. Investigators also want to know if McDougal funneled bank money to Whitewater Development, of which Mrs. Clinton was part owner.

Two years later, Mrs. Clinton became involved in another thrift case that is now under scrutiny. She signed at least one document in a case the government was pursuing on behalf of a failed thrift in Illinois, which had invested money with a Little Rock bond brokerage. The brokerage had been owned by Dan Lasater, the "bond daddy" and friend of her husband who had won major state contracts. The suit, originally brought by private parties and later taken over by the government, sought to recover 88 million in damages from Lasater's firm. The Rose Law Firm settled the case for a mere $ 200,000. The lingering question is whether Hillary, and Rose, went easy on the Lasater firm because it was owned by her husband's friend.

Meanwhile, Hillary's contacts were beginning to bring in business-some of it resulting from her husband's policies. In 1986, encouraged by Governor Clinton with state financial support, private charities established the Southern Development Corp., to make business loans to the poor. Mrs. Clinton was one of its original directors. A worthwhile project, but there was something else in it for the Rose Law Firm. George Surgeon, Southern Development's principal founder and current president, told NEWSWEEK last week that Hillary and the firm had earned between $ 100,000 and $ 150,000 in legal fees representing the corporation over the years. When the corporation was rounded, Surgeon says, the directors worried about the appearance of a conflict of interest but hired Rose anyway. Mrs. Clinton remained on the board until after the 1992 election.

Net worth: Hillary's attention to income paid off. By the time her husband decided to run for president, Hillary was earning a six-figure salary at Rose and some 860,000 a year in director's fees, plus income from an aggressively managed mutual fund she had invested in starting in 1986. The Clintons' net worth, financial-disclosure forms showed in 1992, was about $ 700,000.

No matter how much they've saved, it may not be enough. Under current law, according to experts in the field, the Clintons can bill the government for virtually none of the costs of their legal defense. And, unlike senators, they can't easily create a "defense fund" that accepts contributions from friends. The legal fees will be enormous. Their defense team is being assembled by their lawyers at Williams & Connolly -- where Hillary once interviewed for a job. Outside estimates put the likely cost of the firm's work at a minimum of $ 2 million not necessarily because of any wrongs the Clintons may have committed but because of the sheer scope of Fiske's inquiry. By law, the firm's work can't be donated. Besides, as Hillary knows, good lawyers don't work for free.

Upward Mobility

Newsweek, March 14, 1994

Most Americans know Hillary Rodham Clinton as the new-style First Lady, juggling her roles as mother and White House hostess with her highly visible position as chairwoman of the president's health-care-reform task force. But now the Whitewater affair is focusing new attention on her 20-year professional career. Among the highlights of her legal and financial dealings:

1974 Moves to Washington and becomes a staff attorney for the House impeachment committee investigating Richard Nixon. (Her mentor, New York lawyer Bernard Nussbaum, later becomes Clinton's White House counsel.)

1974-76 Interviews with the prestigious Washington law firm of Williams & Conholly and impresses Edward Bennett Williams. But Hillary decides to move to Fayetteville, Ark., to be with Bill Clinton and teach law at the University of Arkansas. They marry in 1975.

1977 Moves to Little Rock after Bill is elected attorney general. The Rose Law Firm hires her at $ 40,000 a year, considerably higher than Bill's salary. In 1979, she makes full partner.

1978 The year her husband is elected governor, Hillary and Bill become equal partners with Jim and Susan McDougal in a $ 200,000 investment in the Whitewater Development Corp. (The amount the Clintons actually invest is in dispute.)

1983 Takes a leave of absence to head her husband's educationreform initiative. She and law partners Vince Foster and Webster Hubbell contribute $ 15,000 each to create Midlife investment fund; Hillary calls regularly to inquire about its performance.

1985 According to McDougal, Clinton tells him the family needs cash, and asks Madison Guaranty to put Hillary on retainer. He does, at $ 2,000 a month. She later helps represent McDougal's business interests before a state bank regulator appointed by her husband.

1986 Joins Wal-Mart's board, the first of several such corporate affiliations. Invests heavily in Value Partners, an "aggressive" fund favored by Little Rock's wealthiest.

1987 In a possible conflict of interest, Hillary helps represent the FSLIC in a case involving a failed Illinois thrift that had invested with Dan Lasater, a friend of Bill's. Patsy Thomasson, who managed Lasater's assets during the case, is now a top White House aide.

1989 Joins the board of TCBY Enterprises, Inc., a yogurt franchise based in Little Rock and a Rose client. TCBY's chairman was a heavy contributor to Clinton campaigns.

1990 Joins the board of Lafarge Corp., a French-owned cement manufacturer controversial for its handling of toxicwaste-disposal contracts. By now, Hillary is making more than $ 60,000 a year from corporate boards, besides $ 150,000 from Rose. Bill's salary is $ 35,000 plus perks.

1992 Objects to suggestions by campaign aides that she and Bill be required to pay personally for a Whitewater report. Throughout, she objects to detailed questions on her business career. After Clinton's nomination is secure, she

quits all corporate boards.

1993 As health-care reformer, she accuses drug companies of greed. Apparently without her knowledge, Value Partners, her investment fund, is "shorting" pharmaceutical stocks. The Clintons announce they are putting their investments, worth nearly $ 500,000, in a blind trust.

GRAPHIC: Pictures 1 through 7, no caption, HERB SWANSON -- SIPA, NEWSWEEK, IRA WYMAN FOR NEWSWEEK, JERRY STALEY -- SYGMA, STEVE KEESEE -- SYGMA, JEFFREY MARKOWITZ -- SYGMA; Pictures 8 through 10, The Hillary Connection, The late Vincent Foster, Beverly Bassett Schaffer and Harold Ickes are among those who have been caught in the weave of deals, political friendships and business associations, LARRY DOWNING -- NEWSWEEK, STEVE KEESEE -- ARKANSAS DEMOCRAT-GAZETTE, RICHARD BLOOM -- SABA

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LEVEL 1 - 31 OF 67 STORIES

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The American Spectator

September, 1993

SECTION: EDITORIAL

LENGTH: 1147 words

HEADLINE: The Mysterious Death of Vince Foster;
Adapted from RET's weekly Washington Times column syndicated by Creators Syndicate.

BYLINE: R. Emmett Tyrrell, Jr.;
R. Emmett Tyrrell, Jr. is Editor-in-Chief of The American Spectator.

BODY:

This is the weirdest presidency I have observed. It is entirely possible on the testimony of the President that his deputy White House counsel, Vincent Foster, Jr., met with foul play on July 20. He is dead now, and from all that we have heard about him murder cannot be ruled out. Yet people in the White House have decided that this shocking ending to a successful, happy public life is only going to be investigated by the federal Park Police, not the FBI. Earlier, a Justice Department official had promised an investigation "to find out what the factors were -- if it was a suicide -- that led to him killing himself." But now the president is leaving Foster's death to the Park Police, keepers of parks and forests, patrollers of revelers and vagrants -- but police with no demonstrated competence in forensics.

Foster left Arkansas six months ago to serve his boyhood friend Bill Clinton in the White House. Before that he had been a prominent lawyer at Little Rock's politically hyperactive Rose Law Firm, as had Hillary Rodham Clinton and two other powerful government officials -- an uncommonly high number from one law firm. Somehow, late on the afternoon of July 20, after disappearing from the White House for five unexplained hours, he found his way into Fort Marcy Park, off the George Washington Parkway a few miles from the White House, and soon was dead. At this writing, it is unknown where Foster got the 80-year-old revolver that did him in, or where he was for the five hours before his death.

Among other things, I find it odd that he would have discovered this particular park. For several years I have whizzed by it en route to my home. Until Foster's death I never thought to enter it. Why would a very busy newcomer from Arkansas find it interesting? Scores of local places are more alluring. After Foster's body was found I made my first stop. It is an eerie place. Huge walls of grim trees and tall shrubs enshroud it. Supposedly it is a stop-off for dubious liaisons. I can believe it. My second visit there was no more cheerful. It is a curious place for a top White House aide to enter, even for a suicide.

In the days that immediately followed Foster's death, the president and his aides all reported their amazement and, of course, their grief. Foster had been extremely close to the Clintons through all their endless campaigns. He had handled campaign funds and family funds. He, Hillary, and another Rose Law Firm colleague, associate director of the Justice Department Webster Hubbell, were involved in an unusual stock partnership, Midlife Investments. In the White

House he had been involved with sensitive matters, some controversial (e.g., Travelgate) and some more commonplace (e.g. the First Family's blind trust). "We've been up real late two nights in a row now," the president told a reporter, "remembering and crying and laughing and talking about him, and I don't think there is anything else."

But there was. After so many unnecessary claims that nothing was amiss before Foster's death, it now turns out that associates feared he was depressed. What is more, a week after Foster's death the White House admitted that the president, too, was concerned about Foster, and had made a heretofore undisclosed twenty-minute telephone call to him the night before his mysterious death in Fort Marcy Park. Why this confusion? Or is a more accurate word deceit? There are times when one gets the sense that this administration of aging 1960s coat-and-tie radicals is a gigantic reenactment of The Big Chill, that 1983 film of yuppie middle-aged crisis, emotional and ideological burnout -- it began when the suicide of one member of a close-knit group of college friends brought them all home to reflect.

During President Clinton's affecting eulogy in Little Rock on July 23, Americans were under the impression that a thorough investigation at the highest level was underway. The administration had not been slow to bring in the FBI to investigate its White House travel office. It should summon the FBI to investigate this mysterious death. Nothing in Foster's private life suggested suicide. He had been involved in delicate political dealings for the president of the United States. No suicide note has been found. His dealings at the Rose Law Firm were supposedly under scrutiny. Is this true? What is the truth? No high White House aide has died under such mysterious circumstances in this century, and the Park Police are handling it? But then this is a very weird presidency.

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LEVEL 1 - 16 OF 67 STORIES

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June, 1994

SECTION: FEATURE

LENGTH: 6800 words

HEADLINE: Oh, What a Tangled Webb . . .; Who Webster Hubbell was.

BYLINE: Robert D. Novak and Zelda Novak
Robert D. Novak is a nationally syndicated columnist, television commentator, and editor of the Evans and Novak Political Report. Zelda Novak is a reporter for the Evans and Novak Political Report.

BODY:

Early last year, as the Senate prepared to consider President Clinton's nomination of his good friend Webster Hubbell for associate attorney general, the Judiciary Committee received a request from a Little Rock stockbroker named Roy Drew. Drew wanted to testify about what he considered a very peculiar stock transaction Hubbell had made with him a decade earlier. Drew wrote that it "is possible that Mr. Hubbell may have traded on the basis of insider information." By his own account, Drew was not interested in destroying his fellow townsman. Rather, he wanted to show the world a coziness between politicians and businessmen that was close to corruption--and to which the new president of the United States and his first lady were tightly linked.

The White House advised Sen. Joseph Biden, Judiciary's Democratic chairman, that Drew was well known back in Arkansas as an anti-Clinton pest. Sen. Orrin Hatch, the committee's ranking Republican, was not in a mood to cause trouble. So Drew was not called as a witness, and Hubbell received a free pass. The only hard questioning he faced was an exercise in trivia: his membership in the whites-only Country Club of Little Rock. (He agreed to resign.)

In fact, Hubbell was a proper subject for Senate scrutiny. He had arrived as one of the Rose Firm quartet, along with Hillary Rodham Clinton and two lawyers given senior positions at the White House, William Kennedy and Vincent Foster. Long before President-elect Clinton began his tortured search for an attorney general, he had decided on Hubbell to direct the Justice Department from behind the scenes. At least one prospective nominee for attorney general, Appeals Court Judge Patricia Wald, could not accept Hubbell's role as a pre-condition. Janet Reno could and did.

For many weeks before his confirmation, Hubbell was running the Justice Department, making controversial political decisions as the de facto Attorney General of the United States.

A year later, Hubbell was headed back to Little Rock, leaving the government in order--he said--to better defend himself against allegations by his former partners at the Rose Law Firm that he had played fast and loose on billings. Whatever his personal problems, Hubbell had gone from indispensable Clinton ally to inconvenient reminder of what is troubling about the Whitewater affair.

Just before his Senate confirmation, he had hearkened back to his days as a University of Arkansas football player. "This is the plight of the offensive lineman," he said. "They remembered me for the only time my man beat me and sacked the quarterback in the Sugar Bowl. Quarterbacks and running backs are remembered for their achievements. Offensive linemen are remembered for their mistakes."

That self-portrait is now more apt than ever. In Washington, he is viewed, however dimly, as a slightly sinister figure who represents the unfortunate Clinton conjunction between personal affairs and government. In Little Rock, he is remembered fondly as a prototypical good old boy--football player, country clubber, regular fellow, distinguished citizen. On a visit to the Arkansas capital, we could find nobody--friend or foe--who would speak harshly of Webb Hubbell. Nothing better typifies the difficulty of transplanting to Washington the special culture of Little Rock.

The stock transaction that Roy Drew unsuccessfully tried to tell the Senate about is a case in point. On April 14, 1983, Hillary Rodham Clinton called Drew, then a broker with E.F. Hutton, to open up an account--to be named Midlife Investors--for her and her law partners Vincent Foster and Webster Hubbell. Five days later, Hubbell approached Drew with a different proposition. He asked Drew to open a personal brokerage account, instructing him to purchase 500 shares of Arkansas Louisiana Gas Corporation (Arkla) stock at $18.25. At the time, Thomas "Mack" McLarty, a friend of Hubbell and now White House chief of staff, served on Arkla's board, and was positioned to become the company's president.

Drew was puzzled by the purchase. Arkla, he told us, was a stock "that was normally bought by bank trust departments and people who wanted dividends." What's more, Hubbell was buying the stock in June, "at a time of year when they're not selling any gas." Drew became more suspicious when, the day after Hubbell's purchase, two other people sought to open up new accounts for the purpose of buying Arkla stock. One was Doug Buford, an attorney with the Little Rock firm of Wright, Lindsey and Jennings, McLarty's family firm, where Clinton worked in 1981 and 1982 when he was temporarily out of office. The other was Dr. R. Wayne Herbert, who was married to Kathlyn Graves, a partner at the same firm. Drew was reluctant to mention Buford and Herbert by name to Senate investigators and refused to tell us about his conversations with them.

On June 6, less than fifty days after his purchase, Hubbell sold 300 of his 500 shares of Arkla for $25.625--a meteoric jump for a regulated utility that had been poorly rated. This yielded $7,687.50 for a 40 percent profit.

On June 26, the New York Times published the first report that Arkla was "an attractive takeover target." On June 29, Sheffield Nelson, then chairman of Arkla, told the Arkansas Democrat-Gazette that Arkla had had takeover discussions. As a member of Arkla's board, McLarty would have been privy to this information prior to its release in the press.

On July 19, Hubbell sold the rest of the stock for $24.50, yielding a 34 percent return. That wound up a transaction with a neat profit of $3,462.50 on a $9,125 investment. Hubbell was never to make another trade on his account with Drew.

To Senate Judiciary staffers, Hubbell categorically denied ever trading on insider information. "What I think I told them when they asked why I bought the stock," Hubbell later told us in his deep, slow, rumbling tones, "I had seen the newspaper articles and I said that one of the possible reasons was that Mack [McLarty] was going to be president [of Arkla]. Because I have a lot of respect for Mack.

"I'll be honest. I don't know specifically why I bought that stock ten years ago. It could have been one of my brokers advising me to buy Arkla stock. It could have been my parents buying and saying it was good. There are a million reasons why I might have bought. I can't tell you why."

The explanation satisfied the Senate committee, but it also reinforced Hubbell's Washington image as a figure of mystery. Hubbell did nothing to dispel this image, preferring to work behind the scenes, granting few interviews to reporters curious about his undefined role as Justice Department liaison to the White House. When he submitted to an interview with the Washington Post upon his April 2 nomination as associate attorney general (nominally the number-three slot at Justice), it was only the second since he arrived in Washington. The first was to a colleague's nine-year-old daughter writing for her school newspaper.

Who was this man, totally new to Washington and national affairs, that the new president insisted on giving such great power and responsibility? After receiving an engineering degree from the University of Arkansas in 1970, where he was a star offensive tackle for a Sugar Bowl-bound Razorback team, Hubbell went on to law school and landed at the Rose Law Firm in 1973. There he was thrown into Little Rock's center of power, as the firm, including partner Hillary Rodham Clinton, became the place to go for those who had business with the state government.

Hubbell grew close to Bill and Hillary Clinton, as a frequent golfing partner and counselor of the governor. During his 1990 gubernatorial campaign, Clinton called Hubbell his "best friend." Such prominence and connections paved the way for Hubbell's ascent to three prestigious offices without having to run for election to any of them. In 1978, he was appointed to fill a vacancy on the City Board of Little Rock. At age 31, less than a year later, he was appointed mayor to fill out the term of his predecessor, who resigned after public protest over racist and sexist comments he had made. He achieved his third office, as chief justice of the Arkansas Supreme Court, by way of a six-month interim appointment from Gov. Clinton.

Hubbell did not seem to seize the reins of power with relish. Upon taking office as mayor, he said, "The term politician has a connotation that is not respected. I'm here, so I'm in politics, but I like to think that if you are honest and open then it can be an honorable pursuit." Shunning the limelight, Hubbell told a reporter, "I see the job as a ceremonial position. I don't plan on using the position in any way."

Personable and gentlemanly, Hubbell used his charm to get far in Little Rock. It eased over the occasional friction created by a one-party state, where business and politics are inextricably tied and conflicts of interest are perceived as inevitable. As one Little Rock attorney, a Republican, described it, "Arkansas has been done in by one political party ever since Reconstruction, and you're either in the machine or out of the machine. Webb certainly was in

the machine."

"In Arkansas," he continued, "because the Democrats have been in power so long, they feel comfortable doing whatever they want to. . . . They know someone will cover up for them. It's like the good old boy network, but it's different--it's the Democratic Party."

As mayor, Hubbell took an active role in a campaign to remove billboards from Little Rock's streets, and pushed for a new convention center and athletic dome. But his role at the center of the great Little Rock cable television debate sheds more light on Hubbell the politician.

Hubbell presided over the selection of a cable television company to receive Little Rock's franchise. In the course of the selection process, the city's black leaders fought a losing battle against Stephens Inc., the gigantic Arkansas investment banking house, which thrives on a lax regulatory climate and a chummy relationship with government in Little Rock. Hubbell sided with Stephens, a client of the Rose Firm over the years. As a losing party in the cable debate put it, "Webb did the dirty work." In December 1978, Little Rock's city board of directors voted to award the franchise to Midwest American Cable Company, although that company was ranked fourth out of six bidders by a consultant hired by the city to help choose a cable franchise.

This provoked an outcry from Cablecom, the company ranked first by the consultant, which organized a successful petition drive to hold a referendum on the board's decision. The award to Midwest was defeated by a 56-44 percent margin, due largely to the efforts of the Little Rock Business and Community Development Consortium, a group of black leaders, who pointed out that Midwest was the only bidder that hadn't promised the Consortium a financial share of the franchise. In precincts where the Consortium campaigned most heavily, the ordinance was defeated by margins as high as 6 to 1.

In a strange twist, four days before the Board convened to vote for a second time, the Consortium endorsed the company they had campaigned against. They had reached an agreement whereby Midwest would pay the Consortium 2 percent of its annual gross revenues, sell them up to 15 percent of its stock, and pay the Consortium to train minority employees for the company. This was the most favorable arrangement offered to the Consortium, which attempted to negotiate deals with each of the original bidders. The only one to refuse to even come to the table with the black leaders was Riverside Cable Television. Storer Broadcasting Co., a Florida-based firm, was the majority owner of Riverside, but Stephens Inc. owned 14 percent of the company. Then-University of Arkansas coaches Lou Holtz (football) and Eddie Sutton (basketball) each owned 3 percent.

In their efforts to win the cable franchise Stephens Inc. promised to sell its Riverside stock within five years to Storer, and to donate the proceeds to Little Rock charities. Hours before the Little Rock board was to vote, each director received a letter from Jackson Stephens, the billionaire investment banker, promising that a nine-member committee would be formed to administer distribution of the funds to charities.

In a 4-3 vote, the board awarded the franchise to Riverside. Hubbell cast the deciding vote, explaining that he opposed Midwest's bid because they are "historically opposed to public access. I don't believe a leopard changes its spots overnight. I don't believe the deal with the Consortium gives them a

new-found religion." Hubbell expressed reservations that Riverside had refused to negotiate with the group of black leaders, but noted that the company has "an excellent record in dealing with minorities." P.A. Hollingsworth, the attorney for the Consortium, cast the board's decision in a different light, saying that Jackson Stephens was presuming to have "better ideas for the black community than the black community itself." Herb Coleman, the convener of the Consortium, said, "From what the mayor [Hubbell] said, I think they felt they should give it to a company who knows what's better for this community than we do. And when that company decides, it will tell us."

In the end, Stephens Inc. indicated it believes charity begins at home, with the help of Hubbell's Rose Law Firm. In January 1985, Stephens secretly sold its Riverside stock for $2.7 million, and deposited the proceeds in Stephens's Worthen Bank and Trust Co. It was not until an article in the Arkansas Democrat, reporting on the secret sale, that Stephens moved to transfer the funds to various charities. The $2.7 million windfall had come just as the bank was stuck with a $52 million loss--a government securities investment with the New Jersey brokerage of Bevill, Bresler & Schulman Inc. went bust, and eventually led to the conviction of Bevill's officers on fraud counts. In the end it was not a bad investment for Stephens, which purchased its Riverside stock for a mere $14,000. Hubbell and the Rose Law Firm represented Worthen through the bank's rescue.

Yet Hollingsworth, the Consortium's attorney, today bears no resentment against Hubbell, and was prepared to testify in his behalf before the Judiciary Committee when Hubbell was battling charges of racism relating to his country club membership. He told us that while he was "really upset with what was going on" fourteen years ago, the issues involved were more complex than it might first appear. "The Stephens' influence had something to do with it, don't get me wrong," he said, "but there are always numerous factors involved."

Hollingsworth has known Hubbell as both a fellow interim appointment on the state supreme court and as a foe in litigation, where he found Hubbell to be "a tremendous lawyer." "All my experiences with him personally and professionally have been positive," Hollingsworth says. "I know I was disappointed in what Webb did, but it didn't change my overall impression of him. I've always held him in high regard."

After he finished his stint as mayor, and later as Clinton's appointed supreme court justice, Hubbell returned to private practice, in which he was often helpful to Bill Clinton. In 1987, Clinton appointed him to the state's ethics commission, where he participated in the drafting of a state ethics law that excluded the governor from any conflict-of-interest disclosure requirement, but that gave Hubbell a reputation as an expert on government ethics.

In 1990, as a lawyer with the Rose firm, Hubbell helped Clinton in his re-election campaign against Republican Sheffield Nelson. Gov. Clinton decided to reopen hearings held seven years before, to investigate whether Nelson, then-chairman of Arkla, had engaged in a "sweetheart deal" by selling drilling rights to his friend, Jerry Jones of Arkoma Production Corporation (who later became the owner of the Dallas Cowboys).

In 1983, Clinton instructed the Arkansas Public Service Commission to conduct a study evaluating the impact of the Arkla-Arkoma deal on ratepayers. That study found that there would be no adverse effect. Nonetheless, Clinton in 1990

reopened the Arkla-Arkoma study, appointing as commissioners three of his own political supporters. The hearings then were broadcast on Storer Cable's public-access channel with the help of Webb Hubbell, who, at the request of a former head of Stephens's Worthen Bank, made the arrangements for the televised broadcast.

The Stephens family supported Nelson's opponent in the Republican primary, Rep. Tommy Robinson, but endorsed Clinton's candidacy when Nelson was nominated. Hubbell's client, Gene Fortson, a former head of Worthen Bank, told the Associated Press that he had hired Hubbell to arrange to have the hearings taped for broadcast. Hubbell denied to the Little Rock press that he had anything to do with the arrangement, but conceded that his firm was hired to sign up a video production company.

Fortson told us he has no recollection of the events of three-and-a-half years ago. "Right now I'm drawing a total blank," he said. "I don't remember any lawyer being involved. . . . I was trying to call [Storer's] attention to that to get it broadcast on their public access station. I thought it would be nice if the public could see it because it was an issue during the primary."

Inevitably, and fatefully, Hubbell became involved in the Clintons' investment in the Whitewater Development Company and its association with failed Madison Guaranty Savings & Loan. After federal regulators took over Madison in 1989, Hubbell was hired by the Federal Deposit Insurance Corporation in a malpractice suit against Madison's auditors, Frost and Co.

The owner of Madison, James McDougal, was a business partner in Whitewater with Hubbell's law partner Hillary Clinton, who had represented the thrift before state regulators. In addition, Hubbell's father-in-law, Seth Ward, had failed to pay back most of $1.15 million in loans from Madison for a questionable land deal. Hubbell did not tell the regulators about his connection with Ward, despite his involvement in procuring a loan that ensured that Ward would not be liable for repayment.

When federal regulators learned of Hubbell's connection to Ward, they secured a letter from him stating that "I have not represented Mr. Seth Ward in connection with any issue or matter relating to his disputes with Madison Guaranty," and a pledge to refrain from representing Ward. But according to Ward's lawyer, only four months later Hubbell advised his father-in-law of the existence of a contract in Ward's Madison loan that eventually netted Ward $400,000, money that he was eventually forced to hand over to the Resolution Trust Corporation (RTC).

This method of doing business was brought to Washington when Hubbell was installed at the Justice Department to represent the interests of his client, Bill Clinton. He quickly jumped in to deal with the government's six-year-old prosecution of Rep. Harold Ford of Memphis, an 18-year black Democratic congressman and member of the Ways and Means Committee, on charges of accepting $1.2 million for political favors. In 1990, a federal judge ordered a retrial for Ford, after a Memphis jury deadlocked along racial lines, and determined that Ford's appeals to racial solidarity eliminated the prospect of a fair trial. Jury selection for the second trial took place in mostly-white Jackson, producing a panel of eleven whites and one black.

In February 1993, Jesse Jackson and Ford, in separate meetings with White House aides, appealed for Justice Department intervention. Hubbell helped out. He arranged a meeting with members of the Congressional Black Caucus and acting attorney general Stuart Gerson, a Bush holdover. The following day Gerson announced the Justice Department's decision to dismiss the jury.

U.S. Attorney Edward Bryant resigned in disgust. "The whole concept of a congressman being able to call into play this kind of power to intervene and affect an ongoing trial . . . is totally, totally improper," said Bryant. U.S. District Judge Jerome Turner denied the Justice Department requests, calling the actions "repugnant to this court's sense of justice." Justice reversed itself, and the trial continued--resulting in Ford's acquittal.

The Ford intervention was followed by Hubbell's unprecedented order that all U.S. attorneys resign and leave their posts, even before a successor had been found. Hubbell denied that in calling for the resignations of the U.S. attorneys he was trying to suppress the investigation of corruption charges against House Ways and Means chairman Dan Rostenkowski. But the call did summarily remove Jay Stephens as U.S. attorney for the District of Columbia, and set the Rostenkowski proceedings--then on the brink of indictment--back to square one.

Among the others bounced was the Republican-appointed assistant U.S. attorney in Little Rock, whose jurisdiction covered any inquiries into the Clintons' Arkansas days, including the investigation of Madison Guaranty. In his place, Clinton appointed Paula Casey, a former law student of his at the University of Arkansas Law School in Fayetteville, who later worked on Clinton's campaigns.

On October 8, 1993, the RTC sent Casey nine criminal referrals regarding its investigation of Madison. On November 1, Casey threw them out in a letter to the RTC, citing "insufficient information . . . to warrant the initiation of a criminal investigation." The media's interest in Whitewater peaked with Casey's actions, and she was forced to recuse herself from the investigation when her personal ties to Clinton were revealed.

Even with Attorney General Reno confirmed and on board, Hubbell remained the driver at Justice's wheel. It was Hubbell, not Reno, whom Clinton turned to after the fire at the Branch Davidian compound. In an interview with NBC shortly afterwards, Reno insisted that she was accountable for the FBI's raid, but admitted that, in the aftermath, she had not spoken to the president. Nonetheless, Reno said, the president had "had a direct conversation with Webb Hubbell."

Reno learned to be less candid, but there was no doubt Hubbell was in the inner circle. President Clinton went to Hot Springs, Arkansas, on February 12-13, ostensibly to visit the husband of his late mother, and brought along Hubbell to play golf. The conclusion in Washington, correct or not, was that the president was down there to check out documents that might bear on Whitewater, and that he had brought along his lawyer.

But the Whitewater tide was running against Hubbell. The furor did not reflect well on the Rose Law Firm's already tarnished image. In a move that would result in Hubbell's eventual resignation, the firm went public with claims that Hubbell had overbilled clients and the firm for personal expenses and

that he had caused the firm to absorb $500,000 in expenses incurred by his unsuccessful representation on a contingency-fee basis of POM, Inc., owned by his brother-in-law Seth "Skeeter" Ward. (Hubbell is a convenient scapegoat. Largely overlooked is Hillary Rodham Clinton's own involvement in Hubbell's representation of POM, Inc. The first lady's name appears under Hubbell's in a legal document relating to the case.)

With FDIC and RTC investigations of possible conflict-of-interest violations at Rose underway, the firm is in danger of losing its lucrative business with the federal government, which accounts for about 40 percent of its total billings, according to legal experts. In tossing Hubbell to the wolves, the Rose firm could hope to maintain that business, and avoid punitive action by the feds that could prove fatal to the firm.

From the Clintons' standpoint, Hubbell had changed from an indispensable fix-it man at Justice to a net embarrassment. But in Little Rock, people who knew Hubbell, partisans and opponents alike, profess themselves shocked and incredulous at Hubbell's alleged ethical violations. A Little Rock attorney describes Hubbell, a long-time friend, as "one of the finest men I've ever known, who doesn't lie, cheat, or steal. His life has been too good not to benefit from the benefit of the doubt."

Former Republican Gov. Frank White, who defeated Clinton for re-election in 1980 and then lost to him in 1982, considers Hubbell "a very competent attorney," who was "well-thought of--a low-profile person who didn't throw his weight around, and who never did anything that raised any ethical questions." This interpretation is echoed by other Hubbell acquaintances, including a Little Rock consultant who said, "I never agreed with Webster Hubbell's politics, but I never thought he was a crook. I'd be shocked if he's a crook, and I'd be shocked to think he sent out a dishonest bill."

In Little Rock, Hubbell was viewed as destined for greatness. During the 1992 presidential campaign, he was discussed seriously as a possible nominee for attorney general as a stepping stone for the United States Supreme Court. A friend who sees loyalty to Clinton as his downfall, says he hopes Hubbell's reputation will be "restored," adding: "He has an apparent willingness to take all the gunfire on himself. I hope that his character is recognized, whether we question the wisdom of his loyalty, I hope his courage in absorbing the blows himself is recognized and applauded."

But Hubbell won little applause in Washington. When last year he granted us a brief interview restricted to accusations of insider training, his calm demeanor broke momentarily and he bristled when we asked him about his answers to Senate Judiciary Committee questions:

Hubbell: Can I ask you a question? I thought, and I may be wrong, but whatever I told the Senate committee was supposed to be confidential. Is that true?

Novak: Yes, sir.

Hubbell: So, they told you?

Novak: Well, I found out.

Hubbell: I don't mind. But I thought there was a rule that the Senate was not

supposed to talk about--

Novak: I didn't say they told me, but I found out.

Hubbell: Somebody talked to you. I mean I'm not upset about it, I'm just curious who told you.

He clearly did not appreciate how the inquiring press functions. He yearned for the closed world of Little Rock, where secrets were secrets and the lines between politics and business were fuzzy. That sounded like the real Webster Hubbell.

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LEVEL 1 - 20 OF 67 STORIES

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HEADLINE: Accounting for the Clintons; a review of the ways the Clintons have minimized their tax liability

BYLINE: Schiffren, Lisa

BODY:

TAX TIME is upon us again, compelling all rational Americans to forget about street crime for the time being and think about how to protect themselves from the marauder most capable of stripping them of their hard-earned wealth: the U.S. Government. This year some things are different. Our new President has raised our taxes, but he has also given us a new personal model of taxpayer behavior, the finer points of which you may want to consider as you calculate your own involuntary contribution.

In a nutshell, the new Clinton tax regime consists of higher rates and tighter rules. Ideally you understood what was coming and accelerated your income into 1992 to beat these rates, but don't feel stupid if you didn't. To do so you needed both inside information by December of 1992, and enough clout to persuade your employer to pre-pay. For instance, Hillary Rodham Clinton got the Rose Law Firm to pay her $ 203,172 on December 31, 1992, to avoid her husband's tax hike. Neat, huh? What about you? With your two incomes just barely scraping $ 140,000, you're being taxed at the new "millionaires" rate.

Let's follow the Clintons through the rest of Form 1040 for some tips on taxpaying in the Nineties.

THE FIRST THING you must do is calculate your income. That includes: salary, perks, bribes, interest, partnership income, and dividends. Some of these categories may not apply to you.

Salary. Include all financial compensation for work. This does not include expense accounts, which are reimbursements for business-related costs.

Some people do have grey areas. One IRS standard for what is income and what is expenses is whether the beneficiary has "unrestricted discretion." Say you are the governor of a small, pathetically poor Southern state, where it would be politically risky to have a salary higher than $ 35,000. But the state's political elite thought the governor should get more money, so Governor Clinton was given a $ 51,000 annual "food fund." Some of the money was for official entertaining, but the bulk was for private expenses, over which the governor had complete discretion. Should Bill Clinton thus have reported it as income and paid taxes on it? According to a former IRS commissioner, yes.

Perks. This is a traditional type of income in politics, which, like so many traditional values, does not always stand up to the scrutiny of our times.

Julia Hughes Jones, the Arkansas State Auditor, claims the actual cost of maintaining Bill, Hillary, and Chelsea in the big house was roughly $750,000 a year--a far cry from $ 35,000. Consider a few specifics:

Prison gangs--State prisoners did the yard work at the governor's mansion--a legitimate, if not quite PC, perk. But what are we to make of the fact that Mrs. Clinton sent the convicts over to her parents' house to do their yard work as well? Did the Rodhams treat this as income? Ordinary citizens don't have access to prison labor. Consider the roughly analogous case of Leona Helmsley, who used her hotel employees to maintain her personal mansion. She spent 21 months in jail, and is still doing community service.

Nannies--The best--that is, cheapest-to-you--solution is the Clinton solution: Make sure your nanny gets put on the public payroll. That way you not only don't have to pay her Social Security taxes, you don't have to pay her salary either. And if your staffing privileges don't include a nanny, perhaps you could classify her as a "security guard," as the Clintons did in Little Rock with Dessic Sanders, or a "social secretary," their White House practice.

Slush funds--Not many jobs come with slush funds these days. Nor does the IRS recognize this form of compensation as distinct from income. In Little Rock, the governor's job did have a slush fund attached (on top of the $ 51,000 food fund). The annual $ 19,000 "public relations" fund was spent on fruit baskets for constituents, silky little things from Victoria's Secret for special constituents, and political events of benefit to Bill Clinton, not to the taxpayers of Arkansas. There is uniform agreement--among IRS officials, other Arkansas state officials who receive similar funds, and the legislature that allocated it--that such a fund is taxable income. Not until 1989, when he began his presidential campaign, did Bill Clinton pay taxes on this hefty chunk of his salary.

Use of state troopers for personal business--If you have a detail of government security personnel surrounding you, tax questions arise if you require them to accompany you on personal business or transact personal business for you. For instance, if you make them use their own personal, unmarked cars to take you to visit special friends late at night, can the state reimburse them for gas and mileage? Who pays for their dinners when they are waiting for you during a late-night social encounter?

In a nutshell, don't charge anything to the state that you don't want to have to explain to the voters. Questions of compensation for arranging trysts, buying gifts, and keeping your wife in the dark fall more clearly into the realm of etiquette than tax law. Do spring for dinner when troopers are out late watching over you. The IRS has expressly ruled that state troopers may not deduct the cost of fast food while they're on duty, even if it's a long shift.

Bribes. If you're offered a bribe you should decline. But if you disregard this advice, insist on the traditional suitcase full of cash or gold bullion. Do not accept checks, because all checks end up on microfilm in bank records. This is why Congressman Jim Leach, the ranking Republican on the House Banking Committee, keeps saying that he wants to see the checking-account records of the Madison Guaranty Savings and Loan, which he believes was used as a conduit for bribes.

One popular ruse is to have money that is coming to you for some illegitimate use of power or influence appear to go to your spouse for apparently legitimate work. Seeming use of this practice by the Clintons has Hillary in an awkward situation just now. In 1985, after Bill told James McDougal, the head of Madison Guaranty, that they needed some help with family finances, Hillary was paid $ 2,000 a month for 15 months, to fight off efforts by state bank regulators to close the S&L for insolvency. Some observers have suggested that the monthly retainer was a bribe, in exchange for which Bill would turn a blind eye to Madison's insolvency, which, coincidentally, he and the bank regulator he appointed did, ultimately costing taxpayers $ 60 million when the bank failed. Mrs. Clinton has chosen the imaginative defense of claiming that she really didn't do much work for Madison, and many former colleagues have backed this up by pointing out that she had precisely zero experience in this type of law. Her calculation appears to be that it is worse to be seen as being paid for influencing a regulatory outcome when your husband is the governor, than to be seen as taking money for work you didn't actually do.

Partnership income. The use of partnerships for investing money, a hot idea in the 1980s, makes it very easy to conceal the nature of your actual investment. In 1983 Hillary Clinton, Webb Hubbell, Vince Foster, and Ken Sherain, all Rose Law Firm partners, formed a partnership called Midlife Investments. Each put up $ 15,000. Partly because Mrs. Clinton omitted all relevant (and required) details from her tax returns, it is impossible to know what this partnership invested in, or what money flowed in and out. Even the E. F. Hutton broker who set up the partnership doesn't understand why it generated so little reported income.

Veteran observers will recall that Geraldine Ferraro used the same technique in 1984, when she released a sheaf of tax returns and claimed full disclosure. Reporters later figured out that while the returns indicated large amounts of partnership income, they concealed the organized-crime-related nature of the partnerships with which her husband was doing business.

Dividends. Most dividends are obvious, but be sure to consider disguised dividends. For example, if you own part of a business, and it pays off a personal debt for you, you must declare that as a dividend. Failure to do so constitutes tax fraud. This is not a grey area.

Bill and Hillary Clinton face this very issue in the Whitewater Development Corporation scandal. In 1985 Whitewater paid off a loan for $ 7,322 that Bill Clinton had signed for personally at a bank. This is a "disguised dividend" and it is taxable as income.

This is not to be confused with the $ 50,000 that Mr. McDougal partly raised and partly took from Madison that year for Mr. Clinton to pay back another personal loan. Nor is it to be confused with various debts that Whitewater owed, for which the Clintons had signed, which were paid off with money siphoned from Madison. That is called "discharge of indebtedness income," and it is taxable as income.

THE TAX CODE encourages nice behavior, such as helping the poor, by allowing you to deduct from your taxable income what you give away.

Non-cash charitable contributions. You've probably been saving your used underwear for months, hoping that, like the Clintons, you could deduct at least two bucks a pair for them. Well, the good news is that IRS Commissioner Margaret Richardson declared at a recent press conference that she had no intention of looking into the First Couple's lingerie write-offs; so, if you have a reasonable number of worn panties or boxers, the coast is clear.

The bad news is that the Clintons know a lot about this trick, so their tax regime includes much stricter standards for non-cash deductions. You, for instance, cannot do what Hillary did all through the 1980s, when she made up quarterly lists of Bill's, Chelsea's, and her own old clothes, toys, accessories, etc., which she personally valued at between $ 1,000 and $ 2,300 a year, with no corroboration. The new Clinton tax rule says that if you claim more than a $ 250 deduction, you must fill out elaborate forms.

Legal fees. You can only deduct legal fees related to tax work or investments, not criminal-defense fees or your divorce lawyer. So the Clintons won't be able to deduct the megabucks they're paying the superlawyers at Williams & Connolly. How, on a salary of $ 200,000, can they afford fees likely to reach $ 2 million? This is what legal-defense funds are for. But remember: when friends or allies are being specially prosecuted and you write a check for their defense, you can't deduct it, because it's politics, not charity.

Job-hunting expenses. Lots of movement in D.C. this year. Incoming Democrats and outgoing Republicans can deduct all standard expenses. Some Democrats may have additional expenses: for instance, if a candidate for high office must disburse funds to preclude "bimbo eruptions," these payments may be deductible if they come out of personal funds. Do not deduct such payments if you used "soft" campaign dollars.

MOVING ON to Schedule D, capital gains include profits from selling assets such as real estate, stocks, and bonds. Gains are good-- but the more of a player you are, the more careful you must be about conflicts of interest.

Say you are Hillary Rodham Clinton, and even though you don't hold a specific government office, you're in charge of gutting and rebuilding the nation's health-care system. But this took so much of your time your first year on the job that you were unable to put your personal holdings into the mandatory blind trust until mid-summer. Meanwhile, Value Partners of Little Rock, a hedge fund with which you've got about $ 100,000 invested, made piles of money for you by selling health-care stocks short, betting that your reforms would make American health-related industries less profitable. This is precisely the situation that the legal phrase "conflict of interest" was coined to describe. In addition to looking tacky and venal, it's embarrassing, because the market is telling you your plan won't work and giving you big profits to back up its claim.

Losses. To take a loss you have to prove that you actually lost your own money on the investment. This should be no problem with a legitimate failed investment, which can provide copies of any records you personally may have misplaced. It may be tricky where records never existed, or where they were shredded, or where the money invested wasn't really yours.

Turning again to the First Couple for tax leadership, we see that on the hot potato of Whitewater, they claim to have no records at all. (James McDougal

claims that Mrs. Clinton was given all the records when she requested them in 1989.) And yet they say they lost $ 69,000. This raises a red flag because a) the money they invested was all loans, none of which they appear to have paid back themselves, and b) they never took a loss in that amount on their tax returns.

Remember, when questions were raised about Whitewater during the 1992 campaign, the Clintons hired FOB James Lyons to prepare a report showing that the company lost money. Wanting to avoid tax-fraud charges, Mr. Lyons took care to stipulate that, because of inadequate records, the report was not definitive. After the election, the Clintons had Vince Foster persuade James McDougal (then under federal indictment) to buy their shares back at the arbitrary price of $ 1,000 (for which they showed a capital gain). The Lyons report held often financially illiterate news reporters at bay through the 1992 campaign, but the IRS disregards such self-serving documentation. Bottom line: If you are innocent, hire a Big Six public accounting firm.

If you are guilty, you could have your attorney fabricate new records. Indeed, one of Vince Foster's post-election tasks seems to have been "reconstructing" the (never-filed) tax record on Whitewater for the three years prior to the time when, simultaneously, Bill was inaugurated and the Clintons sold the investment. Caution: Broach this possibility only if you are on intimate enough terms with your lawyer that he is more likely to do it than to turn you in, because you are asking him to commit a felony.

Presidential-campaign checkoff. Check off this annoying little box, yes, if you wish to earmark $ 2 for the presidential-campaign matching fund, or no, if you disapprove of public financing. President Clinton feels that campaign-finance reform is important enough that he mentioned it in his State of the Union Address this January. Yet, oddly, not once during the 1980s did he or Mrs. Clinton waste ink on the box.

Innocent-spouse doctrine. Finally, if you plan to commit tax fraud, consider whether you want to drag your beloved spouse to the slammer with you. If not, don't discuss the details of your household finances. However, if you've married someone of a similar educational and professional level the IRS won't believe that he or she doesn't know about deals, investments, and illicit sources of income that benefit both of you.

Again, the Clintons provide a complicated model for the Nineties. If it turns out that there were significant omissions of income on their returns, Hillary might selflessly allow Bill to claim the benefit of the innocent-spouse doctrine. Working against him is his Yale law degree and the fact that he has held several responsible jobs. In his favor is his limited contribution to family income and minor role in family financial planning. On the other hand, keep in mind that one of the most fertile sources of IRS criminal investigations is the accusations of outraged ex-spouses.

Now, wouldn't a fiat tax be easier?

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HEADLINE: The name of Rose: an Arkansas thriller; Stephens Inc. and Rose Law Firm political power in Arkansas; Cover Story

BYLINE: Davis, L.J.

BODY:
You see a girl walking down the street. You can say, "There goes a beautiful girl" or "There goes a whore." What the hell's the difference? They've both got legs.

--Jon E.M. Jacoby, executive vice president of Stephens Inc., explaining the Arkansas system of politics and finance as it reached perfection during the Clinton years

I.

In Arkansas, the latest backstairs of the national political system, you hear a lot of things. Concerning Whitewater, for example, you are constantly--and probably correctly--reminded that the dustup involves nothing but a typical loony tunes S&L deal from the 1980s, despite the august personages involved and their perplexing insistence on behaving like refugees from a Raymond Chandler novel. In Arkansas memories are long, political rascality is king of regional sports and rumor and truth tend to commingle until otherwise reasonable people are driven slightly bonkers trying to sort out one from the other. In Little Rock the whole Whitewater affair is regarded as something of a hoot--the Yankee carpetbagger press, with the reality of Arkansas staring it in the face, has gone and missed the real story again. But if Whitewater was nothing but a minor peccadillo that the press has glommed onto because it thinks it understands it--and compared with the private financial shenanigans of Arizona Governor Fife Symington, Whitewater resembles a misdeed along the lines of crossing the street against the light--why, then, has the Clinton administration so frantically placed its back to the door, as though a peek beyond would reveal grandpa tied to a chair, surrounded by his looted bank books? In Arkansas the answer to this question eerily resembles the epitaph on the tombstone of Sir Christopher Wren: if you would see Clinton's monument, look around.

When it comes to Bill Clinton's home state, the national press has repeatedly looked, seen everything and observed next to nothing (the honorable, largely ignored exception being the Los Angeles Times). Visiting Little Rock in search of atmosphere during the presidential campaign, reporter after reporter dutifully described the imposing Stephens Building, the elegant Capitol Hotel, the Worthen Bank tower and the headquarters of Arkla Petroleum, future White House Chief of Staff Mack McLarty's gas company, without realizing that all of these things were either owned, controlled or under the influence of a single, immensely powerful family: the Stephenses.

By a happy chance, the family is also the stellar client of Hillary Rodham Clinton's old employer, the Rose Law Firm. Although it usually served as a hired gun with a conveniently blind eye, Rose proves to be a handy prism for observing a Gothic, sometimes darkly humorous tale of bonds, banks, a friendly cocaine distributor, sinister Pakistanis, shadowy Indonesians and the uses to which an agreeable state government can be put. The story is in fact three connected stories, combined in a typically Southern saga: Stephens Inc. and the Worthen Bank Corporation; the Rose Law Firm itself; and the Arkansas bond business, which, like most bond businesses, is extremely difficult for the well-educated layman to understand, thus making it an excellent place to hide things in plain sight. Central to the story is a pair of siblings named Witt and Jackson Stephens.

II.

In one sense, nothing unusual occurred in Arkansas during the 1980s: tales of high jinks in high places have always figured prominently in American discourse, and some of the most colorful stories--a number of them actually true--have come out of the Bubba Belt of the South and Southwest, whose geographical heart happens to be occupied by Arkansas. But Arkansas is rendered sui generis by the presence of the only major investment bank not headquartered on Wall Street, Stephens Inc. of Little Rock, which does much to explain some of the arresting peculiarities of a state that is more than a little strange even when judged by the spacious standards of its region.

For one thing, although Arkansas is the home to some of the nation's wealthiest families, it is one of the poorest states in the country, although there is no reason for it to be poor at all. Abundantly endowed with minerals, petroleum, timber and some of the most fertile agricultural land on the surface of the planet, it bears a close resemblance to a Third World country, with a ruling oligarchy, a small and relatively powerless middle class and a disfranchised, leaderless populace admired for its colorful folkways, deplored for its propensity to violence (on a per capita basis, Little Rock has one of the highest murder rates in the nation) and appreciated for its willingness to do just about any kind of work for just about any kind of wage.

In the words of one local wag, the farther you get from Arkansas, the better the Stephens boys look. Indeed, the family's sanitized, Horatio Alger-like biographies have been featured, accompanied by a remarkable lack of examination, in publications as various as Forbes and Golf Digest. The dynasty's founder, Witt Stephens, together with his younger brother by sixteen years, Jackson, grew up on a hardscrabble farm near the town of Prattsville, the sons of a small-time speculator in oil stocks and sometime state legislator, A.J. Stephens, who remained a power in state Democratic politics until the end of his life.

An eighth-grade dropout, Witt first made his living by peddling Bibles and belt buckles before he discovered a pair of bonanzas in undervalued, Depression-era municipal bonds and the natural gas with which Arkansas is so richly endowed. Meanwhile, Jackson briefly served as a page with his father in the state legislature and went on to become a classmate of future president Jimmy Carter at the Naval Academy, a circumstance that would later serve the family's fortunes well while causing a disaster of still unmeasured magnitude in the American banking system.

After World War II the brothers joined forces at Stephens Inc. in Little Rock, with Witt--or Mr. Witt, as he came to be known--serving as the company's colorful, cigar-chomping and aphoristic face to the world (or as much of the world as paid attention) while the taciturn Jack toiled away in the back office, revealing a golden touch at investment strategy. These things are relative, of course; by the time Witt (who died in 1992 at the age of 83) handed over the reins to Jack in 1957, while retaining his petroleum interests and serving as the presiding genius of the firm, Stephens Inc. was worth a beggarly $ 7.5 million. But in the Arkansas of 1957, a financial institution with $ 7.5 million had the money and the clout to do a number of things--including purchase a governor.

Witt, like his father before him, was a staunch hereditary Democrat, a supporter and friend of such Arkansas luminaries as Senator William Fulbright. He was also a great patron of the infamous, six-term Orval Faubus--not, apparently, because of the governor's segregationist policies (to the family's credit, Jack Stephens, a trustee of the University of Arkansas since 1948, had successfully lent his voice to the cause of integrating the institution), but because Faubus was sound on the subject of natural gas, a subject dear to the Stephens' heart. As the family's fortune continued to wax after the Faubus years, it became an axiom of Arkansas politics that someone could occasionally become governor without permission from Stephens headquarters, but the politician was unlikely to remain governor for very long unless he paid close attention to the care and feeding of the brothers--the great exception to the rule being two-term Republican Winthrop Rockefeller, the beneficiary, representative and broken reed of an even vaster American fortune, who became the failed hope of Arkansas liberalism. Decades later, when the self-effacing Jack became chairman of the Augusta National Golf Club in Georgia, naive visitors were quickly enlightened on the subject of how a man so shy could assume a post so prominent in the sport of the moneyed and the gently bred. "Jackson Stephens?" it was explained. "He's the man who owns Arkansas."

It was with Jackson Stephens at the helm that Stephens Inc. propelled itself into the stratosphere of the American financial plutocracy, making a bewildering variety of investments in enterprises as various as real estate, hazardous waste incineration, data processing, nursing homes, trucking and airplane maintenance, while simultaneously diversifying into the business of underwriting issues of common stock. In its new role, the firm called on the services of young C. Joseph Giroir, the only trained securities lawyer in the state, and his paralyzingly respectable firm, Rose.

The securities business, in turn, led to a chain of peculiar events beginning in 1977 (the year, it so happened, that Bill Clinton became Arkansas attorney general and that Rose hired his wife). That year, no less a figure than T. Bertram Lance appeared on the corporate doorstep of his old friend's classmate, bringing with him a load of troubles and a glittering opportunity. Lance was compelled to resign as head of Jimmy Carter's Office of Management and Budget because of his long history of questionable financial practices in Georgia. As a result of that history, he was also beset by a negative net worth, substantial loans from banks in Chicago and New York and a large stockholding in the National Bank of Georgia. Sadly for Lance the price of the bank stock was depressed and its sale on the open market could not rescue him from the specter of bankruptcy, which was the dilemma Stephens Inc. was invited to solve.

A solution was soon found in the form of the now notorious Bank of Commerce and Credit International (BCCI), although whether Lance introduced Stephens to the Pakistani-run scam or vice versa is a matter of some debate. Beyond dispute, however, is the fact that the comptroller of the currency, the nation's principal regulator of commercial banks, had clearly stated that BCCI was never to enter the American banking system under any circumstances. Oddly, this unambiguous order did nothing to prevent Stephens Inc. from solving Lance's problems while settling a small score of its own. The National Bank of Georgia was controlled by a holding company called Financial General, one of the few entities in the country allowed to engage in interstate banking under the laws of the time. The Stephens interests controlled slightly less than 5 percent of Financial General and the investment had soured, partly because Financial General refused to hire the family's data processing company. It was, Stephens soon persuaded BCCI, just the sort of investment BCCI was looking for, the comptroller's edict notwithstanding.

In short order, Stephens launched Lance on the path to renewed solvency, assembled blocks of stock for purchase by the front men who would conceal BCCI's identity, effected an introduction to the subsequently disgraced Democratic wise man Clark Clifford, turned a small but tidy profit on the sale of its own shares, pocketed fees of at least $ 95,000--and, in return for a sum that in Stephens terms amounted to chump change, set in motion the process that would give BCCI its long-sought beachhead in the American financial community. When subsequently confronted with its BCCI involvement by the Securities and Exchange Commission, Stephens Inc. neither admitted nor denied the sec's findings but promised to go and sin no more.

But BCCI was not the only exotic party attracted by Lance's bank holdings. Also appearing on the scene was Mochtar Riady, one of the wealthiest men in Indonesia, with far-ranging interests and a known connection to his country's dictator, General Suharto. When someone went into business with Riady, there was also the possibility that they were in business with the general, a fairly decent chap by dictatorial standards (he had begun his reign with the slaughter of 200,000 supposed Communists, a feat he had not found necessary to duplicate except on the island of Timor) but a tyrant nonetheless.

Stephens Inc., which appeared to be uninterested in the true activities of BCCI, exhibited a similar indifference when it came to Riady. Moreover, the Stephens people did not appear to be the least bit curious about the business endeavors of the distinguished former statesman who effected the introduction between Jakarta and Little Rock. This was Robert B. Anderson. Formerly a secretary of the treasury in the Eisenhower administration, Anderson had carried out diplomatic assignments for President Lyndon Johnson in the Middle East and had served as President Richard Nixon's chief negotiator in the Panama Canal talks before opening an offshore bank--Commercial and Trade Bank and Trust Ltd. on Anguilla--that catered to people who needed to launder money, evade taxes, or both.

Jack Stephens had willingly presided over the handoff of a big hunk of an American bank to a bunch of Pakistani thugs, but he was not willing to let Riady go so easily. "He wanted to buy into an American bank, an idea I was not enthusiastic about," Stephens told an interviewer some years later, perhaps making an unconscious semantic distinction. He'd seen nothing wrong with selling BCCI an American bank--they even named it First American--but he and Riady soon began planning an entirely new kind of Arkansas bank holding company, for

which they required the services of Giroir and his expertise in securities law. But they also needed something that increasingly became a hallmark of the Rose firm: a willingness to perpetrate a subtle conflict of interest.

Founded in 1820, well before Arkansas became a state, Rose is one of the oldest surviving law firms west of the Mississippi, one of the most competent and one of the most quietly influential. Often, in looking at the state government of Arkansas, the Rose firm and the Stephens interests, it is hard to escape the impression that one is looking at a single entity, rather along the lines of nato. The law partnership takes its curious name from U.M. Rose, a talented attorney who dominated the firm from the mid-1860s to the end of the century, was one of the founders of the American Bar Association and is one of two Arkansans whose statues adorn the Capitol in Washington. Over the years Rose has provided Arkansas with numerous legislators and justices of the state supreme court. In 1957, when the modern civil rights era was born in Governor Faubus's refusal to integrate Little Rock's Central High, it was a Rose lawyer who acted as lead counsel to the school board. (Rose still has no black partners.) And from 1975 until 1988 the firm enjoyed a spectacular run--growing from seventeen lawyers to fifty-three--under the leadership of the dapper and charming Giroir, the first and only chairman in the history of Rose, who deeply entwined the partnership and his personal destiny in the affairs of the Stephens family's empire.

During the Clinton administration, the history of the Rose firm could be divided into two periods: the Giroir years, and the shorter period, from 1987 to 1992, when the firm claimed to be a democracy, voting on its future rather than blindly following a single, charismatic leader. This democracy, however, was publicly dominated by three partners: the amiable Webster Hubbell, who was until a few days ago associate attorney general; the quiet Vincent Foster, who was deputy White House counsel until his suicide last summer; and Hillary Rodham Clinton, who as of press time is still First Lady. The firm's sea change, which generated a certain amount of hoopla from the legal press, was more apparent than real. Under the surface, Rose was much the same as always, doing good for its friends and clients while doing well for itself, but much more silently.

In his years as Rose's chief, Giroir conspicuously chaired a group drawn from the state's so-called Good Suit Club. The club successfully lobbied the legislature to change the state usury law, which made owning an Arkansas commercial bank a much more attractive proposition. It also was active in convincing the state's lawmakers to revise the law restricting the formation of bank holding companies, which enabled Giroir, Riady and Stephens to make a substantial and potentially lucrative investment.

On his own, Giroir had purchased control of four Arkansas banks. He sold all four--including the second-largest bank in the city of Pine Bluff--to Worthen Banking Corporation, the new holding company Riady and Stephens had been able to set up after state law, with Giroir's help, had been made more congenial to such things. For his part in the deal, Giroir was compensated with $ 53,760,294 in cash, stock and assumed debt. He also became a major stockholder of Worthen (named after the venerable and very large Little Rock bank that was the pride of the Stephens commercial banking empire) and a powerful member of its board. He received further income by renting property to the company, and he pocketed an additional $ 2.1 million when he sold part of his stockholdings to a company affiliated with Riady's son James (who was also Worthen's co-president). More important, he managed to create a whole new client for his firm; Rose became

Worthen's principal outside counsel.

These things are complicated, dull and dry, which is an excellent form of concealment, but consider the sequence of events. With the stroke of a pen and without a visible second thought, then-Governor Bill Clinton, following his traumatic period as a voter-rejected civilian between 1980 and 1982, gave life to two pieces of legislation inspired by his wife's boss--revising the usury laws and permitting the formation of new banking holding companies.

In a state as small as Arkansas, where everybody of importance knows everybody else, it seems impossible that Governor Clinton could not have known that the relevant legislation would be of immense personal benefit to the boss in question, the state's most powerful family and an Indonesian investor whose presence in Arkansas seemed to be regarded as the most natural thing in the world. Last and not incidentally, the governor, by permitting the creation of the Worthen Bank Corporation, had arranged a new payday for the Clinton family through the windfall in legal fees provided to the Rose firm (Hillary Rodham Clinton, partner). When the compensation of the firm's partners was computed, Rodham Clinton has insisted, she specifically exempted herself from receiving a share of Rose's business with the state. But although Worthen could not have been brought to life without the help of her husband's government, it was not a government agency. Rodham Clinton was therefore not excluded from a partner's share of its fees.

More important, Worthen also became a major depository of the state's tax receipts. Nothing unusual here; governments frequently park their undeployed funds with large private banking institutions until they decide what to do with the money. But the results soon proved to be imprudent under the most charitable interpretation of the word. In 1985 Worthen Bank managed to lose $ 52 million of Arkansas state taxpayers' money in a purchase of government securities from a New Jersey brokerage with a questionable past and no future whatever; several of its principals ended up in jail for fraud. With its capital wiped out in a single stroke and a seizure by federal regulators imminent, Worthen was swiftly rescued with a $ 30 million cash infusion from its major stockholders, in the form of a loan that paid the Stephens partners a handsome 10 percent--together with additional funds from Stephens Inc., which pocketed a $ 3.2 million fee for its trouble. (The risk, in true Stephens fashion, was not great. Two-thirds of the funds were swiftly replaced by Worthen's insurance company, which made Stephens Inc.'s noble rescue of the bank--and of a big hunk of the Arkansas treasury--an almost surefire, profitable investment.) Also conspicuous during the complex negotiations were Joe Giroir and his partner Webb Hubbell, appearing in their capacity as members of Rose.

Two questions surround this incident. First, how could Worthen have allowed the state to make such an obviously tainted investment via the New Jersey brokerage firm? Second, and more important, why did nobody in Arkansas appear before the bar of justice? The New Jersey firm was a direct lineal descendent of a peculiar regional phenomenon: the world of so-called bond daddies. The bond-daddy racket, long centered in Memphis but with many of its members drawn from Arkansas, specialized in selling questionable government securities to gullible investors, principally small banks with little financial sophistication.

Here is where the oddity begins, at least as it concerns Worthen. The Stephens brothers, if not Giroir and Riady, were intimately familiar with the

black arts of finance. They were also experts in the government bond market. Moreover, at least one of the principals in the New Jersey brokerage of Bevill, Bresler & Schulman Inc. (which executed the transaction for Worthen and the state of Arkansas) was well-known in the region. Bevill's operations had all the earmarks of a standard bond- daddy scam, and yet Worthen committed $ 52 million anyway. (At the bank, the official explanation was that co-president Jim Jett acted naively, on his own and without the supervision of his principal stockholders, which is possible but not entirely plausible, since Giroir, who represented the Stephenses, sat on the board.)

Consider a virtually identical event at the same time in Ohio, in which a savings bank controlled by Marvin Warner, Jimmy Carter's ambassador to Switzerland, invested in the same kind of fraudulent securities, destroyed itself, ignited a statewide financial panic and caused Governor Richard Celeste to declare the first Ohio bank holiday since the Great Depression. A number of the responsible parties, including Warner, found themselves behind bars, some for a very long time. Why? Under long established Anglo-American law, an officer or director of a bank is governed by the "prudent man" rule, which states that he is personally responsible for the financial and legal consequences of his acts. In Arkansas, where the prudent man rule seems to have been suspended, a number of people were fired, but the Clinton government hauled precisely no one into court on criminal charges. Once again in Clinton's Arkansas, the law seemed to be different than it was in the rest of the United States--which makes certain Arkansans smile in knowing amusement over the fact that Bill Clinton now happens to be running the United States.

III.

The near failure of Worthen in 1985, like the arrival of BCCI, proved to be another pivotal event in recent Arkansas history: Stephens, Worthen, Rose and the Clintons remained at the center of the stage, but the cast of supporting players began to change.

A former Stephens executive named Ray Bradbury, who had been deeply involved in the BCCI negotiations--hardly a job qualification, one would think--took the helm at Worthen, where he discovered that the bank was also stuffed with bad real estate loans. Meanwhile, federal regulators learned that the bank had made an excessive number of insider loans, particularly to the Riadys, although what happened next is, as usual, a matter of mutually exclusive explanations.

Knowledgeable observers in Little Rock and elsewhere say that the Riadys were slowly forced out of the bank by the federal government; at Worthen, the official version says that the Riadys disengaged because it was clear the troubled bank could not be a major force in international finance. In any event, the Riadys soon departed.

The role of Joe Giroir also underwent a change. As a principal owner of Worthen, he was charged with securities fraud in a shareholder suit; he was also sued by Worthen itself for taking illegal "short-swing" profits when he sold stock to the Riady affiliate. Not only did Giroir lose his board position and partial ownership of the bank--with Giroir and Riady out of the picture, the Stephenses gradually increased their stockholding to more than 40 percent, while stoutly denying they controlled the place--but, following Giroir's disgrace in 1988, Rose lost Worthen as a client that had once paid the firm hundreds of thousands of dollars per year.

LEVEL 1 - 25 OF 82 STORIES

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USA TODAY

May 18, 1994, Wednesday, FINAL EDITION

SECTION: NEWS; Pg. 4A

LENGTH: 461 words

HEADLINE: Clintons' assets: Up to $ 1.6M

BYLINE: Judy Keen; Bill Montague

BODY:
The Clintons had assets of $ 633,015 to $ 1,620,000 last year, financial disclosure forms released Tuesday show.

President Clinton's assets were between $ 96,000 and $ 266,000. Hillary Clinton's holdings: $ 516,000 to $ 1.05 million.

Chelsea Clinton's assets were estimated at between $ 23,000 to $ 140,000.

The forms require holdings to be listed in broad ranges. In 1993, the Clintons reported assets between $ 534,000 and $ 1.7 million. The Clintons put most assets in a blind trust last July to avoid ethical conflicts:

-- Clinton's investments earned him $ 1,600 to $ 6,100. His salary was $ 189,167. Hillary Clinton had investment earnings of $ 18,000 to $ 63,700.

-- The first lady's portion of the blind trust was valued at $ 500,000 to $ 1 million; his was worth $ 15,000 to $ 50,000.

Among the assets transferred to the blind trust were her holdings of $ 50,000-$ 100,000 in Value Partners I, a limited partnership with holdings in health-related firms.

But the report appears to confirm Hillary Clinton did not profit improperly from her interest in Value Partners.

Republicans in Congress have questioned her stake in the fund while she was drafting the administration's health reform proposal last year.

Trading records released with the report show Value Partners did not reap windfall gains on its investments in medical stocks in early 1993.

Health stocks tumbled early in 1993 on rumors Clinton's proposal would cap health-care costs. Investors feared the plan would slash profits.

The Clintons' 1992 financial report showed Value Partners routinely sold health-care stocks short - in effect, betting their prices would fall.

But the fund's manager, Bill Smith, has said the fund lost money in 1993's slump in health-care stocks.

While Value Partners sold at least five health stocks short in early 1993, it made money on only one - Synergin, which plummeted when an experimental drug failed a key test.

Meanwhile, Value Partners lost money on several health stocks it bet would rise in price.

Because the fund shares are in a blind trust, it's impossible to determine their current value. When placed in the trust, Hillary Clinton's shares amounted to less than 1% of the fund's total value.

The Office of Government Ethics decided Value Partners' investments were not a potential conflict of interest because health reform affects everyone, not specific companies.

The report showed the Clintons received gifts worth $ 10,775, including jewelry, ties and athletic shoes. Singer Carly Simon gave a $ 1,200 painting. Actor Tom Hanks gave $ 530 worth of picture frames.

Vice President Gore's form shows he and his wife, Tipper, had assets of $ 1.04 million to $ 1.6 million, and mortgage debt of $ 165,000-$ 350,000.

FOIA # none (URTS 16371) DocId: 70105752 Page 91

DOCUMENT= 3

HL Politics & Policy:
* Investment Fund for Hillary Clinton
Sold Short Several Health-Care Stocks

By Fred R. Bleakley
Staff Reporter of The Wall Street Journal

DD 05/21/93

SO WALL STREET JOURNAL (J), PAGE A12

LP The investment fund that manages a portion of Hillary Rodham
* Clinton's portfolio sold short several health-care stocks since she became First Lady, according to the manager of the fund.

The investments weren't based on any information received from
* Mrs. Clinton, said Bill Smith, president of Smith Capital
* Management, the fund's manager. Indeed, he added, Value Partners, the investment partnership that took the short positions, suffered more this year from the healthcare stocks it held for gain than it profited from the short sales.

TX * Mrs. Clinton heads the presidential task force on health-care reform. Many health-care stocks have fallen in value this year because of the uncertainty about what the task-force finally will recommend.

One of the stocks shorted this year was Synergen Inc., a biotechnology company whose shares plunged 68% in value after the company announced poor results for a major trial of its key drug,
* according to a person at a brokerage firm that deals with Value Partners. Mr. Smith confirmed his fund shorted Synergen earlier this year and said he bought back the shorted Synergen shares at the lower price for a gain he wouldn't disclose.

* He said he hasn't had any contact with Mrs. Clinton or any member
* of the Clinton administration this year. "Our research made us believe the stock price of Synergen reflected a more optimistic outlook than warranted," he said.

* Value Partners is a hedge fund and Mrs. Clinton has been one of its limited partners since 1986, he said. Hedge funds are among the most aggressive investment pools because they can buy stocks with borrowed money and can sell stocks short -- that is, borrow shares and sell them at current prices in anticipation of replacing them at lower prices.

* Information about the investments of President and Mrs. Clinton was disclosed in federal forms this week and the White House said a blind trust currently is being established. As of Dec. 31, 1992, the
* investment fund managing between $50,000-$100,000 of Mrs. Clinton's money had about $1.2 million invested in 10 health-care stocks, or about 13% of the portfolio, the disclosure said.

A spokesman for the federal office of Government Ethics told the
* Associated Press Wednesday that given the key role Mrs. Clinton has as head of the health-care reform task force, she should consider divesting herself of the health-care investments. Mr. Smith said he wasn't sure how the establishment of a blind trust would affect the
* status of Mrs. Clinton's investment in his fund, or how the reporting of investments and investment results would be handled.

A White House representative said Mrs. Clinton is in the process of placing her investments into a blind trust "to insure that there not be the slightest issue raised on their financial dealings." Such an arrangement, common for high government officials, "has been under consideration for some time," the representative said.

With regard to Mr. Smith's fund, the representative added that Mrs. Clinton "has no input, communication, review, oversight or control over the investments that the fund makes." However, the representative couldn't say for certain that Mrs. Clinton was unaware that her money was invested in medical-company stocks.

Besides those two stocks and Synergen, Value Partners had short positions in four other health-care stocks this year, according to the person at the brokerage firm. They are Collagen, a biotechnoloy company, Hospital Professionals, which helps hospitals find staff, United Healthcare Corp. and U.S. Healthcare, health maintenance organizations. Mr. Smith confirmed that Collagen was a new short position this year and said Hospital Professionals was a carry-over from last year. The two HMOs had been long positions held for gain and became short positions only briefly this year, he added.

"I've helped Hillary and Bill with their investments for 14 years," said Mr. Smith, who was speaking on a mobile telephone from a rice farm he owns. Mrs. Clinton has never discussed with Mr. Smith any information she learned as a director of several Arkansas companies, including Wal-Mart Stores Inc., he said.

The last time Mrs. Clinton was sent a list of the stocks in the Value Partners' portfolio was a year ago, Mr. Smith added.

The Value Partners fund, which invests in small to midsize companies, isn't as aggressive as many hedge funds, Mr. Smith asserts. Value Partners is short in about 15 of its 70 stocks, he said. The short positions in health care at the end of 1992 were valued at an average of less than $100,000 each, he said.

Despite this year's performance, which Mr. Smith declined to specify, Mrs. Clinton has done well through Value Partners. It has had an average annual return of about 14% since inception in 1984, a better performance than the Nasdaq composite index, Mr. Smith says.

AN ARTICLE Friday about Hillary Rodham Clinton's investments incorrectly cited an Associated Press article's reference to comments from a spokesman for the federal Office of Government Ethics. The spokesman did not say Mrs. Clinton, head of the president's task force on health-care reform, should consider divesting herself of her health-care investments. The spokesman told the AP a government official with such a key role would have to consider that action. The AP article noted that Mrs. Clinton is not a government official.

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 + Bob Bittman

Company Name: _____

Fax Number: _____ Telephone Number: _____

FROM: Brett Kavanaugh

Number of Pages: 2 (including this cover sheet)

Message: This came in Friday in response to latest Foster subpoena to White House (probably + perhaps certainly not responsive to earlier subs.)

CONFIDENTIALITY NOTE

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MEMORANDUM

To: THE PRESIDENT

From: Nancy Hernreich

Date: July 19, 1993

Re: MISC. CALLS

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*

Jim Lyons had 6 or so conversations with Vince int he last week or so and would be happy to share those with you- nothing earth shattering but you might be interested. He is at the Hay Adams if you want a companion or running partner.

*

FOIA # none (URTS 16371) DocId: 70105752 Page 95

The Sunday Telegraph
MARCH 17, 1996
NO. 1,814

Clinton author has missed the smoking gun

BILL AND Hillary Clinton picked well when they invited the journalist James Stewart to write what amounts to the authorised work on the Clinton scandals.

In his new book *Blood Sport*, brilliantly marketed as a treasure of startling revelations, the Pulitzer Prize winner has all but absolved the Clintons of any serious wrongdoing in the complex web of Arkansas business dealings known as Whitewater.

Nobody is questioning Stewart's integrity as a journalist. A former reporter for the *Wall Street Journal*, he is the author of two acclaimed books on financial fraud. But critics are asking whether he was manipulated by the Clintons and then used as an instrument of subtle disinformation when he was offered unique access to the key players in the Clinton inner circle.

It was Susan Thomases, a New York lawyer, political fixer and close friend of Hillary Clinton, who first proposed the book scheme to Stewart in March 1994. Acting as an emissary of the First Lady, she proposed the project as a way of vindicating the Clintons after a barrage of attacks by "right-wing" interests.

After Stewart accepted the proposal, Thomases herself became a key source, and this is where the trouble begins.

In an astonishing claim, Thomases told Stewart that the late Vincent Foster confided his secrets to her just days before he supposedly shot himself in a Virginia park. At the time Foster was the Deputy White House Counsel and was handling the private financial affairs of the First Family.

According to Thomases,

Forget Whitewater, the real scandal lies in the Foster case, writes Ambrose Evans-Pritchard

they met furtively in a private rooming house where Foster confided that his marriage was going to pieces and that he was overwhelmed by the pressures of Washington. Thomases said she was concerned about "the change in his appearance and demeanour".

All this would seem to lend credence to the official story that Foster was driven to suicide by depression. But it contradicts everything Thomases told the FBI in June 1994.

Her confidential FBI statement — which Stewart clearly has not seen — said that she and Foster "had lunch together with some other people in Washington" and that "she noted no change in his demeanour or physical appearance" and that "his death came as a complete shock to her and she can offer no reason or speculation as to why he may have taken his life".

'Many of the big shots have a strong motive for masking the truth'

It is a criminal offence to give false statements to the FBI in an investigation. It is therefore legitimate to ask whether Thomases misled Stewart and if so, what was her purpose?

Plainly, the genesis of this book needs to be examined carefully.

This is not to say that Stewart offers a flattering picture of the Clintons. He describes the panic at the White House when a group of Arkansas state troopers began to talk to the media about their years as pimps to Bill Clinton in his time as Governor, escorting him on his sexual escapades. And he confirms stories that the President telephoned one of the Troopers in late 1993 to offer him a plum federal job to sweeten him up.

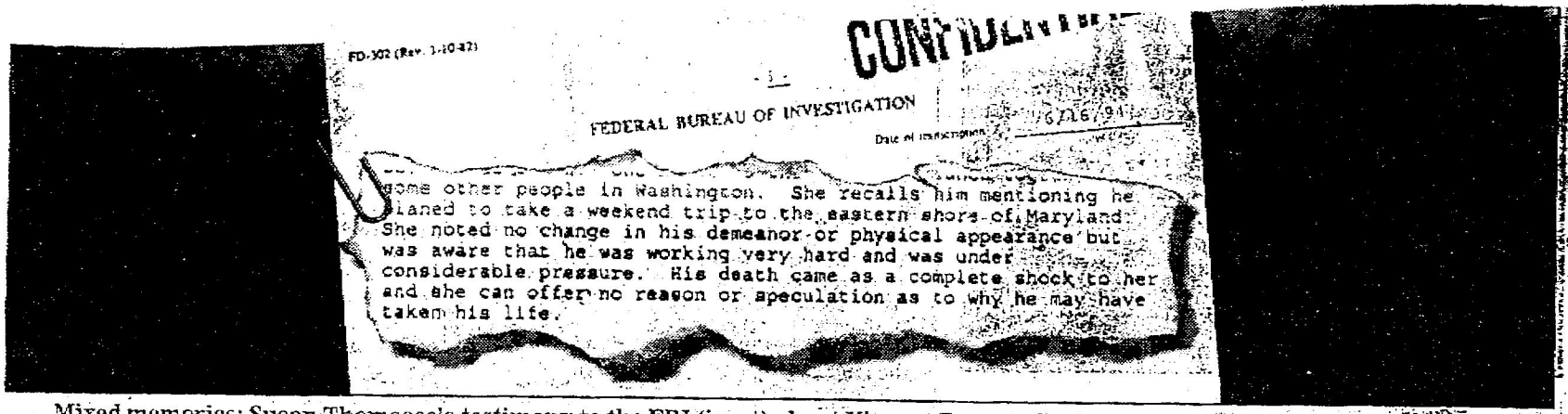
He also recounts a scene in which the current Governor of Arkansas, Jim Guy Tucker, allegedly threatened one of the troopers saying: "You will not survive this. Your reputation will be destroyed. You can never work in law enforcement again."

As for Hillary Clinton, Stewart accuses her of making false statements on a credit application. He also disputes her claim that she was just a passive investor in the Whitewater property venture, showing that she seized control of the operation with a maniacal sense of purpose in the hope of squeezing money out of it.

But even if his points are correct Whitewater is trivial stuff, involving tiny amounts of money. Most of the incidents took place more than a decade ago. They are typical of the way that governors operate all over the South.

At the end of the day, Whitewater is hardly the sort of issue that should paralyse the presidency of the most important country in the world.

Of course it is possible that Senator Al D'Amato will uncover something in his interminable Senate hearings, although he appears to be spinning his wheels.


FD-302 (Rev. 3-10-87)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/16/94

some other people in Washington. She recalls him mentioning he planed to take a weekend trip to the eastern shore of Maryland. She noted no change in his demeanor or physical appearance but was aware that he was working very hard and was under considerable pressure. His death came as a complete shock to her and she can offer no reason or speculation as to why he may have taken his life.

Mixed memories: Susan Thomases's testimony to the FBI (inset) about Vincent Foster's final days conflicts with her latest account

There is also the criminal investigation of Kenneth Starr, the independent counsel in charge of the Whitewater scandal. He is currently prosecuting Jim Guy Tucker and the Clintons' Whitewater partners, Jim and Susan McDougal, as part of his "bottom up" strategy of ensnaring the First Couple.

But Starr is now hated in Arkansas, reviled as a "carpetbagger" from Washington, and it is doubtful whether he can secure convictions from an Arkansas jury. If the Governor is acquitted over the next few weeks, then the case against the Clintons will almost certainly collapse.

Ultimately, it is not Whitewater that threatens the Clinton presidency with a scandal of historic proportions. What really matters is the government cover-up of Vincent Foster's death, and on this point *Blood Sport* swallows the official version — hook, line, and sinker.

The Fiske Report, released in June 1994, concluded that Foster committed suicide where his body was found and that "there is no evidence to the contrary". Stewart derides those who challenge these findings as "conspiracy theorists".

But he has not kept up with the literature on this subject, failing to mention that the lead prosecutor investigating Foster's death, Assistant US Attorney Miquel Rodriguez, resigned in disgust last year because he felt that he was being obstructed by the FBI and by independent counsel Starr from pursuing serious indications of foul play.

It is clear that Stewart has not delved deep into the archive of police documents that undermine the Fiske Report. He is also confused about some elementary details of the case. For example, he seems to think that a "silver gun" brought to Washington by Foster's widow, Lisa, was the suicide weapon. It was not.

When Mrs Foster was shown a picture of the actual weapon, a black 1913 Colt .38, she told the US Park Police that it was "not the gun she thought it was". In fact, the gun has never been identified by any member of the Foster family. No matching ammunition has ever been found. Foster's fingerprints were not on the weapon — though somebody else's were.

Stewart ignores the finding of three handwriting experts, including Professor Reginald Alton of Oxford University, who concluded that the "suicide" note — found torn up in Foster's briefcase with no fingerprints on it — was a forgery.

This is the only serious analysis of the note that has been undertaken. By contrast, the efforts of the US Park Police and the FBI were cursory. They did not even use multiple samples of Foster's handwriting.

The omission of the forgery allegation is no small matter. The title of the book is taken from a phrase in the suicide note where Foster supposedly writes that "ruining people is considered sport" in Washington.

In a sense Stewart's whole book is validation of the suicide note. It is a literary endeavour that serves to bolster the case, however unwittingly, that Vincent Foster did indeed put a gun in his mouth because he was distressed about harsh editorials in the *Wall Street Journal* and suchlike. But what if the note really was a forgery?

Reading the book it is clear that Stewart has focused all his efforts on interviewing the "big shots" in the Clinton circle, many of whom have a strong motive for masking the truth.

But he has not made a fraction of the same effort to hear the tale of the countless people — crime scene witnesses, paramedics, funeral home workers, etc — who have no axe to grind.

This sort of journalism typifies the style of the Washington-New York opinion elite. It is why the US media is seen by many Americans as the hand-maiden of the ruling class, not defenders of the underdog.

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MR. X ON GOLD STOCKS

Mr. X is on vacation this week. Back next issue.

WILLIE'S WASHINGTON

This Column Highlights The Clinton News
That The Mainstream Media Chooses
To Ignore Or Downplay

Perhaps the most startling piece of unreported news I can ever recall was a recent interview by New York Post columnist, John Crudele, with Roger Perry, Arkansas State Trooper assigned to the mansion of Arkansas Governor, Jim Guy Tucker. Other than the Post, it sank unnoticed.

According to the trooper, Helen Dickey, Chelsea Clinton's nanny, called the Governor's Mansion from the White House and told the trooper that Vince Foster had been found dead in the White House parking lot! Perry relayed the message to Mrs. Tucker.

As startling as that sounds, you ain't heard nothin' yet! The call was placed an hour before Foster's body was found in the park!

If this is true, it should be easy to determine from White House phone records if a call was made from the White House to the Arkansas Governor's mansion, and it should be easy for Congress or Special Counsel Starr to subpoena Chelsea's nanny and make her testify, as well as subpoenaing Mrs. Tucker and the trooper.

If this is so, this turns Foster's death into the most flagrant open Presidential scandal and cover up of modern times.

I just don't understand why D'Amato and Leach have not picked up on the other smoking gun.

When Nussbaum held law enforcement investigators out of Foster's office for two days while he sorted through Foster's files, one of his stated reasons was that there were "personal legal papers" of the Clintons that police were not entitled to have.

Hasn't anyone figured out that for a government official (like Clinton) to use a subordinate government employee to do personal legal work is a felony?

Why is this smoking gun overlooked?

What on Earth are they covering up?

John Elvin, the often outrageous investigative newsletter writer, reported an alleged conversation between three lawyers in the office of Special Counsel Starr who were probing the Whitewater mess. After the Clintons testified under oath, they each independently wrote down what they thought of the testimony of Bill and Hillary Clinton, then compared notes.

They concluded that 25% of what Bill said was lies and everything Hillary said was a lie.

Why won't D'Amato and Leach call Hillary to testify? Are they afraid of the wrath of the radical feminists who will scream "male-chauvinist persecution"?

This Administration stinks, and like a dead fish, it rots from the head down. It may be the most corrupt administration ever to inhabit the White House. You have to go clear back to Warren G. Harding and Tea Pot Dome. The Clintons are personally, politically and financially corrupt, and covering up like crazy.

We deserve to know what's being covered up. Who has the guts to go after it?

THE FABRIC OF AMERICA: EDUCATION GONE BERSERK

The Social Background Against Which
Investments Must Be Measured

At its recent annual conference, the National Education Association (NEA), which claims to represent the majority of American teachers, passed by an overwhelming two-to-one margin, an official resolution asking teachers in every school district to observe October as "Gay/Lesbian History Month."

Watch out for classroom and hallway displays, special viewing of films on homosexuality, and guest speakers.

This is the logical conclusion of the "diversity" campaign, which is a code word for the homosexual drive for mainstream recognition, going way beyond "live-and-let-live" to "in your face."

I think everyone's entitled to go to Hell in his own way, but they'd better not thrust their lifestyle (sins) under the nose of my children.

I believe that God loves all of his children—saints and sinners, homosexuals and heterosexuals alike. There is even evidence that God may love sinners more than he loves the righteous ("leave the 90 and 9...."). But my objection to a Gay/Lesbian History Month is not just that it promotes the gay lifestyle, but that it lends legitimacy to any kind of sex outside of marriage—homosexual or heterosexual. This is not just a gay issue, it's a much broader moral issue.

Let the so-called "gays" do what they wish with their

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amount of money necessary to sustain a stock, let alone to keep it from falling, increases faster than the amount of new money available.

When those two curves cross this market will head South. 6,000 mutual fund managers will all be trying to get out.

If there is one law of physics that applies to the markets, it is that not everyone can get through the same door at the same time.

Remember Baron Rothschild, "You can have the first 20% of the market and the last 20% of the market, and I'll take my 60% out of the middle."

I see no reason to keep trying to squeeze the last drop out of this bull market other than pure, speculative greed. I want to buy sound companies in sound industry groups at reasonable prices. If prices get way out of line to the upside, we will take our profits; and if not, and the company still has potential and its earnings are growing and the fundamentals look sound, hang with it until it proves otherwise.

Doom Revisited

What would be the economic implications of a 1,000-3,000 point drop in the Dow? It would create a "Reverse Wealth Effect."

The economy is strong when businesses and consumers are borrowing and spending. Businesses build plants and facilities, people buy new cars, but only when they feel their future is secure enough to service their debt. When the markets crash, tens of millions of investors and corporations feel poorer, and pull in their horns.

Companies that do well in a bear market or depression are counter-cyclical; their earnings and stock prices are not related to the general economy. They tend to march to their own drummer.

My advice is to flee the market, except for our Back Page! If they out-run reasonable expectations, we'll take our profits and run. If it continues to go up, so what? We aren't greedy!

I believe a depression is likely.

When government cuts spending, it slashes into the Gross Domestic Product (GDP). Government at all levels provides about 40% of the GDP, and big spending cuts, which is what the Republicans are hoping to accomplish, will have a temporary depressing effect on the economy, unless we also have big tax cuts to counter it. That doesn't mean they shouldn't cut spending. They've got to do it.

Depressions and crashes come around every 50-60 years, and this boom is on borrowed time.

Let's take excess profits and head for the sidelines, except for Back Page situations.

We're going to become more conservative and start to shift the balance toward safe income. After all, since 1993, our income-producing investments which were projected to give us a return of 12-15% per annum have given us 13.9% per annum. That's a nice neighborhood.

The Precious Metals are trendless. Here's the same old refrain: If gold rises above 396.25 it's going higher. If it goes below 369.25 it's going lower. If silver falls below 5.01, it will become bearish. It's neutral now.

Platinum dropped below its long-term OMA, but I still like its strong basing pattern.

Gold mining is also trendless, with the South African Mining Index below its long-term OMA, and the North American Mining Index bullish, but up against a very powerful resistance that has repelled it three times.

The Stock Market. Almost every stock index is an upward spike. Granville explained why such "parabolic curves" are unsustainable.

The market charts are at the same over-bought levels that characterized the 1981 market top which led to 26% sell off respectively.

Also, the percentage of stocks and groups above their key moving averages is contracting ominously, even as the market moves higher.

Market leadership is also shifting to defensive issues, like Electric Utilities, Large Regional and Money center banks, Drug Companies, Telephone Utilities, Life Insurance and International Oils. This usually means Trouble.

The Back Page. We have tightened our stops to preserve our big profits, and changed most "buys" to "hold."

Investing For Income

After the release of several weaker-than-expected economic reports, bond yields have again dropped below 6 1/2%, so the trend is still for lower interest rates. I still like interest-rate sensitive investments. Utility stocks have surged recently, gaining over 5% in September, but the Dow Utility index is still 25 points away from its 1994 high of 240, leaving room for more profits.

Eskom bonds are moving strongly after good news on the South African inflation front. Institutions are now buying and the rally should continue for a year or two. The current yield is 13.5%, and there are more capital gains ahead.

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The following ad appeared in the NY Times 3/29/96

WHY? by Reed Irvine

Third of a series of five

Why does The New York Times refuse to report that the one piece of evidence that the White House supplied to support the theory that Vincent W. Foster, Jr. committed suicide because he was severely depressed has been found by a panel of outside experts to be a forgery?

When Foster was found dead and the police said it was an apparent suicide, the universal reaction among Foster's close friends and co-workers was stunned surprise. They had seen no sign of any depression.

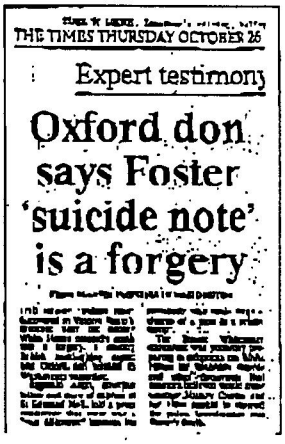
A week later, on July 27, Press Secretary DeeDee Myers surprised reporters by saying the President and several others knew that Foster had been "having a rough time." She tried, unsuccessfully, to persuade them that this was not a new line, insisting she was not suggesting that he was despondent and might have been planning his suicide.

This was the day after the torn up note that was said to be an indication of Foster's depression was allegedly found in his briefcase. It came to be called his suicide note even though it made no mention of suicide.

The note was accepted as bonafide by the media even though its first authentication was done by a U.S. Capitol Police sergeant, using a single exemplar, and no copies were made available to the media. In June 1994, the FBI added its authentication to the note, using as exemplars the one-page letter written by Foster and some checks he had written. Outside experts were unable to check the note's authenticity until copies were finally given to the media in July 1995.

A Park Police detective said he would have seen the torn-up note if it had been in the briefcase. Stephen Neuwirth, an associate White House counsel, claimed he found the note when he was packing up Foster's briefcase to send it to Mrs. Foster. It was odd that an associate counsel would be assigned such a menial task. Worse yet, the scraps of paper could not have fallen out the way Neuwirth held the briefcase when he tried to demonstrate what happened to the Senate Whitewater Committee.

When photocopies of the note finally became available, The Wall Street Journal published a copy. The exemplar used by the Capitol Police sergeant to authenticate the note also became available. The first crack in the wall came when blown up words common to both the note and the exemplar were shown to this sergeant without disclosing the origins. He concluded that the words from the note were probably written by a different person than the words from the exemplar.


THE TIMES THURSDAY OCTOBER 26

Expert testimony

Oxford don says Foster 'suicide note' is a forgery

The Times of London

That was confirmed last October when three professional handwriting experts, working independently, compared the note to 12 other known samples of Foster's writing. They all agreed that the note was a forgery and that it had been torn up to hinder detection. The lack of fingerprints on the note was seen as evidence of its fraudulence.

Why hasn't the Times reported this? Why hasn't Senator D'Amato investigated it?

We suggest you ask them.

Look for the last two columns of this series in a full-page ad on the back page of the Week in Review section of the Sunday Times

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Chuck,

These are copies of a card campaign (34 mail-ins received) to Judge Starr. Normally, these go straight to file — cards, I mean. But, Chris said you wanted to record the ones that were part of a mail-in campaign and know how many we received. Do you want to respond?

Thanks,
Jack
11/5/96

Dear Judge Starr:

Chris Ruddy has recently revealed that a makeup artist provided your predecessor with potentially important information about a message she heard an aide give to President Clinton while she was applying his makeup for the Larry King show on 7/20/93. This concerned the finding of a note in Vincent Foster's office. This should have been included with the FBI reports that were released to the Senate Banking Committee in July 1994. Will you release it and other suppressed documents now?

I am troubled by the report that one of your agents told trooper Larry Patterson that Gov. Tucker's phone records could not be subpoenaed. Even if he was misquoted, this suggests a lack of interest in finding the truth about when the White House learned of Foster's death. This reflects badly on the seriousness of your investigation. Get those records!

Is it possible there is a murder here vice suicide?

John Lay Daly

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Fax: 301 656 8069, Ph: 2510

Dear Judge Starr:

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David Richardson

SURELY THERE'S NO ATTEMPT AT COVER UP FROM YOUR OFFICE, JUDGE STARR - BUT IS THERE SIMPLY VERY LITTLE CURIOUSITY?

THURSDAY, JULY 20, 1995 • The Washington Times

ERTISEMENT ADVERTISEMENT A

A Special Report on the Vincent Foster Case

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Sunday, July 2, 1995

Doubts Linger in Vincent Foster Death

'Sleuth' Keeps Story Alive

By Ambrose Evans-Pritchard
LONDON DAILY TELEGRAPH

WASHINGTON—Nearly two years have passed since the body of Vincent Foster was found in a secluded Virginia park near the headquarters of the CIA. Controversy about the highest ranking suicide in almost half a century should have subsided by now.

Two investigations found no evidence of foul play, and the press has been almost unanimous in accepting that the deputy White House counsel shot himself in the mouth during a bout of depression.

But the mystery still festers.

Some suspect that there may be a darker story behind the death of the handsome, soft-spoken man who accompanied Bill and Hillary Clinton from Little Rock, Ark., to Washington. He was no ordinary White House aide, after all. One of the Four Musketeers from the Rose law firm, he had been mentor, law partner and intimate friend of Hillary Clinton.

At the White House, he had been the keeper of the secrets, managing the personal financial affairs of the president and the first lady. Within hours of his death, a high-level raiding party ransacked his office, removing several files, including the Whitewater papers.

The doubts are not confined to anti-Clinton enthusiasts.

NEW QUESTIONS ARISE

And further questions have arisen recently, spurred by developments that include:

- The resignation of the lead prosecutor handling the Foster case, Miquel Rodriquez, in March. According to reports in the Pittsburgh Tribune-Review, sources indicate that Rodriquez felt certain members of special Whitewater prosecutor Kenneth Starr's team wanted to cover-up discrepancies in the earlier investigation under the first special counsel, Robert Fiske. The Starr team countered that Rodriquez's resignation was largely the result of a character clash. Rodriquez, an assistant U.S. attorney in Sacramento, has not commented.
- Revelations that the White House may have received an early tip-off about Foster's death, long before the officially claimed notification was given, raising the possibility of a cover-up of circumstances leading to his demise.

If we really are watching the unraveling of a colossal cover-up involving police officers, rescue workers, FBI agents and the inner circle of the White House—a very big if—then much of the credit must go to a young reporter named Christopher Ruddy who kept the story alive.

Ruddy has the right background for a sleuth. His father was a veteran of the New York police force. "My dad would never have looked the other way. That's part of what motivates me," Ruddy said. Before starting his career as a journalist, he received a master's degree at the London School of Economics and then taught history in one of the toughest schools of the South Bronx.

It was Ruddy who broke the key stories in the New York Post last year revealing that rescue workers had doubts about the suicide theory. He said paramedics were surprised by the lack of blood on the ground. There was no soil on Foster's shoes. The body was laid out "as if in a coffin."

The suicide weapon, a Colt of pre-World War I vintage that his family could not identify, was in his hand—always a red flag for experienced homicide investigators.

The crucial crime scene photos were ruined by underexposure.

"What we found out was that the park police never did a proper investigation," Ruddy said. The case was treated as a suicide from the beginning. Police did not speak to nearby residents and failed to interview an old man who spends all day in the park and is a gold mine of information on everything that goes on there.

For a few weeks, Ruddy, 30, was a star. But America's establishment press was not willing to pursue the mystery too deeply—nor was the New York Post. As the first wave of interest waned, Ruddy was pulled off the story.

Ruddy persisted. With the backing of the Western Journalism Center, a California group that funds investigative reporting, he launched a guerrilla campaign to get the story out.

FISKE REPORT ATTACKED

He published a document known as the "Ruddy Memorandum" attacking the report of former Whitewater prosecutor Robert Fiske, and chipped away at public apathy with a barrage of newspaper advertisements paid for by wealthy donors and grassroots fund-raising. Last November, he was employed full-time on the story by the Pittsburgh Tribune-Review.

Meanwhile, the center hired two retired New York City homicide investigators to look into the case. Their report suggested that Foster's body was moved to Fort Marcy Park and that the gun found in his hand was likely placed there.

Ruddy says the facts of the case simply do not point to suicide. Why were Foster's fingerprints not found on the gun? Why were no skull fragments found? Why was no soil reported on Foster's shoes and clothing after he supposedly had walked 700 feet through the heavily wooded park? Why was no attempt made to investigate carpet fibers and blond hairs found on his clothes? Why did the chief medical examiner claim there were no X-rays, when he is quoted in the park police report as talking about X-ray results? The list goes on.

But the big question is over the true location of the body. The police say Foster was at the foot of a Civil War cannon deep inside the park. This is the so-called "second cannon." But Ruddy says two of the paramedics he interviewed last year located the body in a different spot, in an area of dense undergrowth 20 yards from the "first cannon."

In a recent interview, a medical examiner drew a map placing the body in the same spot. (The first cannon, interestingly, was recently removed from the park.)

Critics say his theory is preposterous. Twenty to 30 people saw the body that night. How could the park police get so many public servants to change their story? Why would they do so? What difference does it make whether the body was at the first or the second cannon?

Ruddy's answer is that the witnesses were not questioned under oath by the Fiske investigation which is unusual, and that most of them never were asked about the body's location. As for the scale of the cover-up, he says it shows the importance of whatever it is they are trying to hide.

And what might that be? Ruddy prefers not to speculate, except to say it must be something more breathtaking than a 15-year-old property deal called Whitewater. As for Vince Foster, Ruddy is working from the assumption—until shown otherwise—that the man lost his life because of a refusal to compromise his honor and integrity.

Now available from the Western Journalism Center "An Independent Report Re: The Death of Vincent W. Foster Jr." Compiled by 2 leading homicide experts formerly with the New York City Police Department. Their report offers a number of startling conclusions that challenge the official suicide ruling of Foster's death. By receiving this confidential report you will learn why the experts have concluded that homicide has not been ruled out in Foster's death. You will also learn why the experts believe Foster's body was moved to Fort Marcy Park. These and other important conclusions are in this valuable report. The Western Journalism Center is also offering with this report a compilation of Christopher Ruddy's news reports in the Pittsburgh Tribune-Review. The independent report and Ruddy's articles are available for only $12.

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TO: **Mr. James Kelly, Deputy Managing Editor, TIME**
[fc: Ms. Alice Mayhew, Editor, Simon & Schuster]

FAX: **(212) 522 - 0262 [AM fc: (212) 698 - 7035]**

FROM: Hugh Sprunt

SUBJECT: Article Re Foster-Related Coverage In BLOOD SPORT [& In TIME 3/18/96]

PAGES SENT: Ten [Including This Cover Sheet]

TIME SENT: Friday, April 5, 1996; 4:56 PM EST

COMMENTS: I was the fellow who faxed you in connection with the Foster-related sections of Jim Stewart's book, BLOOD SPORT, on March 13 (twice) and once since. Following this cover sheet is a draft of an article that will be appearing in the May issue of Media Bypass covering the same subject. The issue will be in the subscribers' hands in around three weeks. Media Bypass is not exactly TIME, but that is the way things are. Please provide a copy of this fax to Jim Stewart -- I think that is the fair thing to do. Had I heard from you (or from Mr. Stewart -- your assistant indicated to me that she would forward copies of my faxes to you to him), I would have been delighted to include your comments or his in my article. Since I have heard nothing, I could not provide "the other side of the story" in my piece.

Rich Azar is the editor of Media Bypass [812-477-8670] should you wish to provide him with a comment on the enclosed article for inclusion in his monthly Editorial column. When I "dissected" the "60 Minutes" piece on Vince Foster in Media Bypass last fall, the "rebuttal" Mike Wallace provided Rich was printed alongside my article, so I assume you could be treated with the same courtesy if you act fast. I have been told that many of the points in my article will be covered in a segment that I taped for CBN TV News that is scheduled to air April 26, so there should be time for you or Mr. Stewart to contact CBN in advance re a "rebuttal." The reporter on the segment was Dale Hurd. Mike Anthony is the assignment editor and Janet Boyd is the bureau chief [202-833-2707]. I have not seen the edited tape of the segment myself, so I do not know exactly what will be covered.

Since the contents of Ms. Thomases' FBI interview re her last meeting with Vince Foster is a major topic of the enclosed article (vice what she told Jim Stewart about the same meeting), I am faxing her a copy at Willkie Farr in NYC and soliciting her comments as well [Willkie Farr's NYC number is 212-821-8000; fax 212-821-8111].

I was hoping to hear from either you or Mr. Stewart shortly after my March 13 faxes to TIME. As you know it is particular difficult to write about events when you were neither present nor had any direct access to those who were. I look forward to hearing from you. My numbers above will reach me this weekend and next week should you decide to contact me. If we do not connect when you call, please leave a message and a phone number and I will return your call as soon as I can.

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Warm regards, Hugh Sprunt

I rushed to buy James B. Stewart's book, "Blood Sport," when it went on sale March 14. I was particularly interested in what Stewart had to say about the death of Deputy White House Counsel Vincent Foster on July 20, 1993. The title he chose derives from the torn note found in Foster's briefcase at the White House: "I was not meant for the job or the spotlight of public life in Washington. Here ruining people is considered sport."

The four publicly available government reports, with which I am intimately familiar, all tell us that Foster died of a self-inflicted shot to the mouth from an Army Colt .38 Special revolver where his body was found by the Park Police in Fort Marcy Park, Va., just across the Potomac River from Washington.

Time magazine, in a 16-page cover story dated March 18, praised "Blood Sport" as a "ground breaking definitive account of the Whitewater and Vincent Foster affairs," and hailed Stewart as knowing "all about peeling back layers of mystery and complexity." His coverage likewise was admired by The New York Times [March 24]: "Mr. Stewart walks the reader through this tragic affair with great care and considerable narrative art...the obvious care with which Mr. Stewart has gone about his work lends weight to his conclusion that Foster's death was a suicide."

Slowly, but surely, Stewart told Time, the truth has emerged. "I hope eventually people will come to realize the futility of dissembling," he said.

Having written 10 articles on various aspects of Foster's death, as well as a 165-page report analyzing the contents of the official investigative record, I felt sure that the access granted Mr. Stewart by the first lady and others in the administration, however truncated it turned out to be, would produce some startling revelations involving Foster's death. I was not disappointed.

Although I have many questions about the "Blood Sport" account of Foster's death, and found quite a few distracting factual errors, I focus here on three items: Susan Thomases' account of her last meeting with Foster, the description of the gun Stewart tells us Foster used to kill himself, and the book's coverage of the so-called "torn suicide note" found in Foster's briefcase at the White House six days after his death.

Stewart writes [pages 283-285] that Susan Thomases, longtime confidante of the first lady, dropped by the White House on Wednesday, July 14, six days before Foster's death. Thomases told White House Counsel Bernard Nussbaum, Foster's boss, that she was worried about Foster due to the strain he was under. Stewart writes of Thomases, "As someone who saw him less, the change in his appearance and demeanor

was more noticeable."

Stewart tells us that Foster wanted to meet with Thomases "off the campus," away from the White House, where they would not be seen. We are not told why there was a need for secrecy. Thomases suggested, and Foster agreed, that they rendezvous that evening at 2020 "O" Street in rooms that her New York law firm had reserved for her.

Stewart inaccurately describes "The Mansion on 'O' Street" as a mere "rooming house." This "rooming house," which a friend and I visited in late March, offers rooms for $150 to $600 per night. The 1892 red brick rowhouse, near New Hampshire Avenue, also is a private club. Our visit revealed a Victorian interior, colorful and ornate, exceedingly plush and bordering on the bawdy, with lingerie draped and hung around the bedrooms we were shown.

Thomases told Stewart that her conversation with Foster took a curious turn at 2020 "O." One thing Foster "had not missed about his life in Little Rock was Lisa, his wife. The marriage had not been what he had hoped for, and it hadn't been for some years. He had to make all the decisions in the family. She was completely dependent on him, and this had become a burden. He found he could not confide in her. Lisa's recent arrival in Washington had brought this to the fore, just when Foster himself needed someone to lean on." Apparently, the author's purpose in relating these previously unreported marital disclosures is to buttress official conclusions that the severely depressed Foster took his own life. We are not told why Foster selected Thomases as the one to hear the details of his alleged failed marriage. Per Thomases' FBI interview, she saw him only once or twice a year for some years and only knew Foster "fairly well."

The account related by Stewart in "Blood Sport" is in stark contrast to what Thomases told the FBI about her last meeting with Foster, on July 14, 1993. Although Thomases likely did not expect the contents of her FBI interview (Form FD-302), of June 14, 1994 (apparently about the same time she spoke with Stewart), it was among 24,135 pages of documents in 24 volumes released by the Senate "Whitewater" Committee in January 1995 (S. HRG. 103-889, Volume II, pages 1777-1778). As such, Thomases' FBI interview was available to Stewart and his two researchers well before "Blood Sport" was published.

In relevant part, Thomases' FBI interview states: "She last saw Vincent Foster on Wednesday or Thursday before his death [apparently Wednesday, July 14, just as she told Stewart]. She believes they had lunch together with some other people in Washington. . . She noted no change in

his demeanor or physical appearance. . . His death came as a complete shock to her and she can offer no reason or speculation as to why he may have taken his life."

It must be remembered that Thomases was not making social chit-chat with the FBI. She was being interviewed in connection with a federal death investigation. As Independent Counsel Robert Fiske wrote in his June 30, 1994, report on Foster's death, providing a false statement to the FBI is prosecutable under Title 18 U.S. Code, Section 1001.

According to "Blood Sport," Thomases said that because she saw him less often than others in his White House circle, "the change in his appearance and demeanor was more noticeable." She told the FBI: "She noted no change in his demeanor or physical appearance." She told the FBI she last saw Foster at lunch with some other people. She told Stewart they met alone in the evening at 2020 "O." Thomases told Stewart that Foster had unburdened himself in forceful terms about his failed marriage six days before his death. However, when the FBI asked Thomases if, in hindsight, she could offer any reason or even any speculation as to why Foster might have killed himself, the FBI learned that "his death came as a complete shock to her and she can offer no reason or speculation as to why he may have taken his life."

I do not think it is an overstatement to say that Thomases' account to Stewart differs radically from her account of the same events to the FBI. What are the reasons for these substantial inconsistencies? Did Stewart think his readers undeserving of an explanation? What did Thomases say when Stewart asked her about her FBI interview while "Blood Sport" was being researched and written? Were Stewart and his two researchers simply unaware that Thomases' FBI interview could have been obtained in January 1995 by contacting the Senate Banking Committee Document Clerk?

As one of those whom the mainstream media has collectively branded as (composite quote) "right wing scurrilous kooks with cockamamie theories profiteering on the suffering of the Foster family and refusing to let Vince Foster rest in peace" -- for merely questioning aspects of the official Foster "suicide verdict" -- I wonder if Thomases will suffer similar criticism for what appears to be the far more insensitive "outing" of Foster's purportedly failed marriage? Did Stewart or Thomases blindside the widow with these comments? Did they contact Lisa or her three adult children and offer them a chance to comment before publishing? If so, there is no evidence of it in "Blood Sport." A dead man, of course, cannot defend his widow.

Lisa, Vince's sister Sheila Foster Anthony, intimate friends, and other family members paid tribute to the Foster marriage when interviewed by the FBI and, until now, when speaking to the media. If Thomases is correct about what she told Stewart, why not bother to tell the FBI when its agent specifically asked her to speculate about the reasons Foster killed himself?

Although it is not unknown for husbands to utter self-serving remarks from time to time, what did Vince himself have to say about Lisa in his commencement address to the University of Arkansas Law School some 10 weeks before his death? "Three weeks ago, my wife, Lisa, and I celebrated our 25th anniversary, and it was here in Fayetteville in law school where we celebrated our first. Like many in this audience, she began by putting me through law school. . . She has always encouraged me to persevere and aim higher. She has been my editor, my jury consultant, and my best friend. I wish for all of you, a Lisa [S. HRG. 103-889, Volume I, page 362]." Et tu, Ms. Thomases?

GUN SMOKE AND MIRRORS

Stewart's coverage of the gun that Foster allegedly used to kill himself illustrates the quality of the Foster-related research undertaken for "Blood Sport." Having remained behind in Little Rock so her younger son, "Brugh," could complete his junior year of high school, Lisa Foster is packing for her move to Washington: "As she was going through a trunk that Vince had packed, she came across a silver handgun. . . she put the gun among the things they were taking to Washington" [page 256]. There is another reference to this gun on page 282: "After the boxes arrived from Little Rock, Lisa mentioned the gun, saying she did not want any gun in the house in Washington and wanted Foster to get rid of it."

This "silver handgun" is the only weapon mentioned in "Blood Sport" that could be the official death weapon. Although there would be no reason to mention this gun unless it was the gun Foster allegedly used to kill himself, I have not been able to discover an explicit statement to that effect in "Blood Sport." However, when Stewart appeared on the Washington, D.C., radio station WAMU to promote his book, he was asked about the "silver handgun" [March 28, 1996; 10:28 a.m.]:

Caller: I have bought the book and read it. It is obvious that you have done a lot of research and homework there. . .
Mr. Stewart: Thank you.
Caller:...and I wanted to ask you something. A lot of the conspiracy

theorists said that Foster didn't own that gun, but I noticed that you wrote right in your book that Mrs. Foster packed the gun and brought it up from Little Rock. Was that the gun he actually used?
Mr. Stewart: Yes. I believe it was. I think all the evidence suggests that it was...
Caller: I'd like to make one more point. I noticed that you said in your book that the gun was silver, the silver gun she packed in Little Rock.
Mr. Stewart: It was a vintage gun and I think it was basically silver.
Caller: Right. Did you notice the picture that was published by ABC television that showed his [Foster's] hand with the gun in it? [This photo was also printed in the 16-page Time magazine excerpt of "Blood Sport," March 18, 1996, page 68].
Mr. Stewart: Yes. I have seen it.
Caller: The gun was black. How do you explain that?
Mr. Stewart: Well, it wasn't all silver, you know. I think it was, you know, it had some silver on it, and then, you know, the picture, you know, sometimes the shadow and whatever. . .
Caller: It didn't have any silver on it at all. I've seen the photos from the FBI that have been published in the Senate documents [S. HRG. 103-889, publicly available in January 1995, well over a year before "Blood Sport" was published]. How do you account for your saying the gun was silver when the gun was black?
Mr. Stewart: [Pause; Caller purged from the line]. You know, as I was saying earlier you can peruse this forensic [pause]...First of all, I don't think there is any contradiction between the way the gun looked and the way it looked in the photograph, you know, people can look at the gun themselves. They can look at the photographs till the, you know, the cows come home...

According to the Mobile Crime Lab report of the U.S. Park Police ID Technician who recovered the official death weapon at Fort Marcy Park: "The victim's arms were at his sides and the victim had his right hand on a black revolver [S. HRG. 103-889, Volume II, page 2160]." There is no reference to any "silver" color being associated with the weapon.

Photos that appear on pages 2407-2412 of Hearings Volume II show a black revolver with no indication that there is any silver color anywhere on the revolver. According to the U.S. Park Police investigator who was the "In-charge" at the body site: "I observed a dark-colored revolver in his right hand [S. HRG. 103-889, Volume I, page 150]."

Given the coverage of the "silver handgun" in "Blood Sport," particularly Lisa's having seen it while packing and her discussion with

Vince about the gun when it was unpacked in Washington, one would expect Lisa to easily recognize it if she saw it again. According to the U.S. Park Police interview report with Lisa nine days after the death: "She was presented with a photograph of the weapon found with Mr. Foster's body, but was unable to identify it [S. HRG. 103-889, Volume II, page 2153]." Nor has any member of the extended Foster family ever been able to unequivocally identify the alleged death weapon.

According to the Park Police investigator's handwritten interview notes: "Not the gun she thought it must be. Silver six gun, large barrel [S. HRG. 103-889, Volume II, page 2227]." Lisa apparently was expecting the official death gun to be the silver gun she remembered bringing up from Little Rock, but the photograph she was shown by the Park Police depicted an entirely different weapon. Lisa by her own admission is not that knowledgeable about guns, but she does know her colors (she described the family Honda as "taupe gray"). Presumably, Lisa Foster would know the difference between "black" and "silver."

According to the deposition of the Park Police investigator who notified Lisa of her husband's death that night: "The only real question I got to ask was about the gun, did Vincent own a gun. She asked me what does it look like, you know. To me, right away I am thinking oh, he does, well it is a black-colored revolver, .38 revolver. She cut me off and . . . threw up her hands and said, 'I don't know what guns look like' and walked into the kitchen away from me [S. HRG. 103-889, Volume I, page 449]."

Based on this evidence, I think it is fair to say that Stewart, like Lisa, was mistaken to have thought that the gun we are told Vince Foster used to kill himself was the silver-colored gun that Lisa told the investigators she brought up from Little Rock.

Stewart, a graduate of Harvard Law School, states that he and his two researchers checked the official record thoroughly: "I and my research assistants reviewed thousands of pages of documents and testimony. These include numerous depositions take pursuant to subpoenas issued by the Senate and House committees, documents and other materials submitted to those committees and to the RTC, and FBI reports of people questioned by the independent counsel regarding the death of Vincent Foster [page 455]." Et tu, Mr. Stewart?

NOTE: THE INCONSISTENCIES

On pages 310-311, Stewart accurately reports that the text of the "torn note" found six days after the death in Foster's briefcase in his office at the White House was released to the public on Aug. 10, 1993 [S.

HRG. 103-889, Volume II, page 1846]. The note offers a laundry list of Foster's White House concerns, but Whitewater is not among them. Stewart quotes Deputy Attorney General Heymann: "At the very strong urging of the Family of Vince Foster, we are not making available photocopies of the note itself." The handwritten torn note makes no mention of Foster's family, and the typed transcript already had been released, so one might be forgiven for wondering why the "Foster family" urged so strongly that a photocopy not be made public.

Since the title of "Blood Sport" is derived from wording in the torn note ("...in Washington. . . ruining people is considered sport"), I am surprised that Stewart does not discuss the note in more detail. For example, why did Foster tear up his own suicide note? Why were no fingerprints found on the torn note even though it was torn into 28 pieces (one went missing)? How did the torn note come to be found six days after the death in a briefcase that had been searched twice and previously found not to have the bright yellow pieces of torn note in it?

Stewart casually dismisses "the claim that the Foster suicide note was a forgery [page 429]" in one sentence. Should he have delved into a possible connection between the request that a photocopy of the torn note not be released (a photocopy was eventually leaked to the Wall Street Journal in July 1995), and claims that the note is a forgery? The television show "Unsolved Mysteries" aired a March 22 segment in which the claims of the three handwriting experts, who reported the torn note was a clear forgery on Oct. 25, 1995, were contrasted with those of a person hired by the show who opined that the torn note was clearly authentic.

I have no training in handwriting analysis, but it is clear to me that the experts asserting the note is a forgery issued reports that, in the detailed analysis provided, completely overwhelm the three government reports indicating that Foster wrote the torn note [Media Bypass, Feb. 1996]. The government reports cite not a single specific similarity between the torn note and known writings of Foster. In effect, the government reports state that Foster wrote the torn note because the handwriting in the torn note is the same as the handwriting on a very few known samples of Foster's writing. In contrast, the three experts (and the individual hired by "Unsolved Mysteries") cite numerous specific features of the handwriting supporting their respective analyses.

Since hired experts can be found on all sides of almost any technical issue today, I find the repeated requests of James Hamilton, the Foster family attorney, regarding the torn note of interest. Mr. Hamilton is a

Washington attorney with an excellent professional reputation who was employed by the Clinton transition team and the Clinton administration in various capacities in 1992-93. Mr. Hamilton made three references to the torn note in publicly available documents.

The first was in Lisa Foster's interview with the Park Police on July 29, two days after Lisa Foster and Hamilton viewed the torn note at the White House and were briefed on the circumstances of its discovery, prior to the public announcement of its existence. Indeed, one reason given by the Clinton administration for the 30-hour delay between the discovery of the torn note and its surrender to the Park Police was to allow Lisa Foster and her attorney the opportunity to discuss the torn note and its ramifications in private with the White House first.

According to the Park Police interview report: "Mrs. Foster and Mr. Hamilton have requested that the document [the torn note] be turned over to the custody of the family at the conclusion of this investigation [S. HRG 103-889, Volume II, page 2153]." Even though the torn note makes no allusion to family matters and apparently was written some nine days before Foster's death, this strikes me as a reasonable request.

The next mention of the torn note was in an Aug. 25, 1993, letter to Attorney General Reno [Media Bypass, February 1996] in which Hamilton wrote: ". . . particularly thank you for your decision not to release a photograph of the actual note. This clearly was the correct decision for all concerned [S. HRG. 103-889, Volume II, page 2655]." Hamilton's final mention of the torn note was in Lisa Foster's May 9, 1994, FBI interview: "At the conclusion of the interview . . . Hamilton also reiterated his request that a photograph of the note not be released by the Office of Independent Counsel should such a request be received under the Freedom of Information Act [S. HRG. 103-889, Volume II, page 1651]."

Why the concern about releasing a photograph of the torn note, given the typed text of the note had already been made available? What information can be gleaned from a photograph of a handwritten note that cannot be obtained from the typed text?

CONCLUSION

Even though Time hailed "Blood Sport" as a "ground breaking definitive account of the Whitewater and Vincent Foster affairs," and praised Stewart as knowing "all about peeling back layers of mystery and complexity," I believe "Blood Sport" falls far short of those standards in its coverage of Vince Foster's death.

Mr. Stewart appears not have been curious enough to probe the

inconsistencies between what those he interviewed described to him and the equivalent information in the official record available from the Senate Document Clerk as of January 1995, long before the publication of "Blood Sport." I do not want it to be assumed that I believe the official documents contain the unvarnished truth about Foster's death. Far from it! However, I believe that Mr. Stewart owed it to his readers to report such inconsistencies and reconcile them, if he could.

* * *

Hugh Sprunt is a Texas CPA and attorney with a number of indirect personal links to the Foster family. His 165-page "Citizen's Independent Report" on the death of Vince Foster can be obtained for just the cost of copying and shipping by calling (214) 239-2679.

FD-302 (Rev. 3-10-95)

CONFIDENTIAL

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/16/94

SUSAN P. THOMASES, was contacted by telephone at the law firm of WILLKIE, FARR, and GALLAGHER, 153 East 53rd Street, New York, New York where she is employed as an attorney and a partner. After being advised as to the official identity of the interviewing agent and the nature of the interview, Ms. THOMASES provided the following information:

She resides at , New York, New York, has a non-published home telephone number, . She works the majority of her time in New York City but with her firm having had an office in Washington, D.C. since 1981, she routinely comes to Washington on Wednesdays and returns to New York on Thursday evenings. She is the managing partner of her firm's Washington, D.C. office.

She first met VINCENT FOSTER, JR. in Arkansas during 1976 through her friends BILL and HILLARY CLINTON. She served with HILLARY CLINTON on the Children's Defense Board and has known both HILLARY and BILL CLINTON for approximately 20 years. She regarded VINCENT FOSTER as a friend although she only saw him approximately once or twice a year during the period 1976 through 1991, when she would visit the CLINTONS and/or come to Arkansas on business.

In July, 1991, she moved to Arkansas to begin working full time on BILL CLINTON's Presidential campaign. During the entire campaign, she was in charge of daily scheduling for CLINTON and for campaign events. She continued this work on a part-time basis throughout the transition period from the BUSH administration to the CLINTON administration handling scheduling matters for the newly elected President. Toward the end of the transition period in December, 1992, she returned to her law practice in New York and Washington. Since she had met many volunteers during the CLINTON campaign who took positions with the new administration, she often visited with them during her weekly trips to her Washington, D.C. office. She therefore during the campaign, transition, and the first six months of the

(telephonically)

Investigation on 6/14/94 at New York, New York File # 29D-LR-35061 SUB A

OIC 000417

by _____ Date dictated 6/14/94

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FOIA request (URR 16,671) Page 1 of 2

FD-302a (Rev. 11-13-95)

CONFIDENTIAL

29D-LR-35061 SUB A

Continuation of FD-302 of SUSAN T. THOMASES On 6/14/94 Page 2

CLINTON administration, got to know VINCENT FOSTER fairly well.

She last saw VINCENT FOSTER on Wednesday or Thursday before his death. She believes that they had lunch together with some other people in Washington. She recalls him mentioning he planed to take a weekend trip to the eastern shore of Maryland. She noted no change in his demeanor or physical appearance but was aware that he was working very hard and was under considerable pressure. His death came as a complete shock to her and she can offer no reason or speculation as to why he may have taken his life.

[Typed Material Blanked Out Here By US Government]

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To FRED B-	From
Co. Added This	Co. 11th PAGE
Dept. SS You could	Phone # See SUSAN'S
Fax # FBI INTERVIEW	Fax # IN TOTO..

Ms. THOMASES continues to regard HILLARY and BILL CLINTON as friends and visits with them from time to time when she is in Washington.

Source of this FBI Interview: Senate Hearings 103-889, Volume 11, Pages 1777-1778

[Office of Independent Counsel Sequence Numbers 000417 - 000418]

OIC 000418

Declassified to [illegible]

by [illegible] 10/30/2029

04/05/1996 17:53 214-484-0124 H SPRUNT - ADVANTAX PAGE 11

Washington, D.C.
March 26, 1996

TO: DIRECTOR LOUIS J. FREEH, Room 7176

DEPUTY DIRECTOR WELDON L. KENNEDY, Room 7142

ASSISTANT DIRECTOR, CRIMINAL JUSTICE INFORMATION SERVICES DIVISION, Room 11861
ASSISTANT DIRECTOR, TRAINING DIVISION, Quantico
ASSISTANT DIRECTOR, PERSONNEL DIVISION, Room 6012
ASSISTANT DIRECTOR, INFORMATION RESOURCES DIVISION, Room 5829
ASSISTANT DIRECTOR, NATIONAL SECURITY DIVISION, Room 7110
ASSISTANT DIRECTOR, CRIMINAL INVESTIGATIVE DIVISION, Room 7116
ASSISTANT DIRECTOR, LABORATORY DIVISION, Room 3090
ASSISTANT DIRECTOR, INSPECTION DIVISION, Room 7125
ASSISTANT DIRECTOR, FINANCE DIVISION, Room 6032

OFFICE OF GENERAL COUNSEL, Room 7427
OFFICE OF PUBLIC AND CONGRESSIONAL AFFAIRS, Room 7240
OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS, Room 7443
OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY AFFAIRS, Room 7901

SPECIAL AGENT IN CHARGE_____

FROM: W. LANE CROCKER JR., ASSISTANT DIRECTOR IN CHARGE
WASHINGTON METROPOLITAN FIELD OFFICE

SUBJECT: SSA WILLIAM E. COLOMBELL
WASHINGTON METROPOLITAN FIELD OFFICE
RETIREMENT
4/30/96

SSA WILLIAM E. COLOMBELL, formerly assigned to FBIHQ and currently assigned to the Washisngton Metropolitan Field Office, will be retiring on Tuesday, April 30, 1996, after serving the FBI for more than 31 years. BILL has served in the Houston, Atlanta, Miami, Baltimore and the WMFO field offices, as well as FBIHQ. A luncheon will be held in his honor on April 26, 1996, at Fort McNair, Washington, D.C. (see attached details).

A book of letters is being prepared for SSA COLOMBELL and anyone wishing to send a letter should forward same, unfolded, to the attention of JOAN WINTER, WMFO, NVMRA, Squad C-20 Secretary (202) 324-6161, by COB 4/24/96.

"HIS IRISH EYES ARE SMILING"

RETIREMENT LUNCHEON
APRIL 26, 1996
At
Fort McNAIR
100 C St. S.W.
WASHINGTON, D.C.

Join us in celebrating the retirement of
BILL COLOMBELL
Special Agent
Washington Metropolitan Field Office
AFTER OVER 31 YEARS OF
DEDICATED FBI SERVICE
11:30 Reception (Cash Bar and Soft Drinks Available)
12:00 Lunch is Served

Tossed Garden Salad
Assorted Bread Basket
Coffee, Ice Tea, Dessert, etc.
YOUR CHOICE OF:
Marinated London Broiled Steak with Mushroom Sauce, Red Potatoes,
and Seasonal Vegetables
OR
Grilled Swordfish, Caper and Lemon Herb Sauce, Rice Pilaf,
and Seasonal Vegetables

COST: $20 includes Luncheon, Entertainment, Gratuity and Gift
Please contact by 4/22/96, either
Joan Winter WMFO NVMRA, Squad C20, Extension 6161
Linda Kloss FOIPA, Section FBIHQ, Room 6359, Extension 3763
Tom Colombell, FBI Academy, Quantico, Room 125, Extension 1133
for payment and additional details.

Checks should be made payable to Tom Colombell
and submitted to one of the above
NO LATER THAN COB 4/22/96

** TOTAL PAGE.002 **

WHY DID VINCENT FOSTER DIE?

"I cannot make this point to you too strongly. There is no victory, no advantage, no fee, no favor which is worth even a blemish on your reputation for intellect and integrity."[1]

—Vincent W. Foster, addressing the University of Arkansas Law School May 8, 1993

"Foster knew these people, and he came to the conclusion that he had to resign from life."[2]

—U.S. Rep. James A. Leach January 12, 1994

Before Vincent Foster died, few Americans had heard of the Arkansas lawyer who accompanied his boyhood friend, Bill Clinton, to the White House. When history is written, however, Vincent Foster's death may well turn out to be the seminal event of the Clinton presidency.

Vincent Foster served as Deputy White House Counsel, the number two lawyer who advises the president on legal issues concerning his office and administration. On July 20, 1993, Foster's body was found in a remote park outside Washington. Ruled a suicide, Foster became the first high-ranking White House official to kill himself since former

Has anyone checked on
the affair between Foster
and Hillary?

FOIA # none (URTS 16371) Doc Id: 70105752 Page 117

Secretary of Defense James Forrestal committed suicide after being fired from his post in 1949.

Many aspects of the Foster death were strange. Important questions were left unanswered by the government's official investigation. In fact, the investigation itself became the target of criticism; conducted sloppily and superficially, the investigation failed to refute the possibility of foul play in Foster's death. The possibility that Foster's body had been moved after either a murder or suicide was never seriously studied. Moreover, the discovery under questionable circumstances of a note in Foster's briefcase only deepened the mystery.

While many issues remain unanswered on the Foster case, the bare facts are these: Vincent Foster served as both Deputy White House Counsel and personal attorney to the Clintons. In these capacities, he was involved in more Clinton controversies than perhaps any other individual aside from Bill and Hillary Rodham Clinton themselves. Finally, it has been established that the public was deliberately misled on important issues surrounding Foster's death, such as the secret, late-night search of his office conducted by top White House officials the day he died.

"Until the Foster death is seriously studied," wrote the *Wall Street Journal*, "a Banquo's ghost will stalk not only the independent investigation but the next three years of the Clinton administration."[3]

WHO WAS VINCENT FOSTER?

Vincent Foster was a native of Hope, Arkansas, the town where Bill Clinton spent part of his childhood. Clinton and Foster were even next-door neighbors for a while, and they attended kindergarten with Thomas L. "Mack" McLarty, now President Clinton's Chief of Staff.

Foster received his bachelor's degree in psychology from

FOIA # none (URTS 16371) DocId: 70105752 Page 118

Davidson College in 1967, went on to graduate first in his class at the University of Arkansas Law School, and scored first on the Arkansas bar exam before starting a successful career at the Rose Law Firm, becoming a partner in only two years.

During his tenure at Rose, Foster represented Stephens Inc., the powerful Arkansas investment firm that extended a $3.5 million line of credit to the Clinton campaign. And he was outside counsel for Wright, Lindsey, Jennings, the law firm from which presidential advisor Bruce Linsdey hailed. Foster also had a newspaper client and, according to the *Washington Post*, "was fond of telling reporters that he was sympathetic to their needs because he had represented an Arkansas newspaper while in private practice."[4] Foster was part of the elite Rose Law Firm clique, along with Hillary Rodham Clinton, Webster Hubbell, and William H. Kennedy III, that accompanied Bill Clinton to Washington.

During his six months at the White House, Foster was the all-purpose lawyer called upon to douse the political fires that perpetually lapped at the Clintons. He defended Hillary Rodham Clinton's position as head of the government's health care task force and was engaged in the legal battle to maintain the secrecy of the task force. He played a part in the failed nominations of Zoe Baird and Lani Guinier. And he was sufficiently concerned about his participation in the Travelgate controversy to seek private legal advice shortly before his death.[5]

As personal attorney to the Clintons, Foster was responsible for trying to straighten out their increasingly questionable involvement with James McDougal and the Whitewater Development Company. He filed delinquent corporate tax returns for Whitewater Development and arranged the sale of the Clintons' remaining Whitewater

FOIA # none (URTS 16371) DocId: 70105752 Page 119

interest to McDougal. Foster was working to put the Clintons' assets in a blind trust when he died; it was a point of controversy that the Clintons had not established a blind trust prior to their arrival in Washington.

JULY 20, 1993

July 20, 1993, was a big day for the White House, and especially so for the White House Counsel's office. Louis J. Freeh was named the new FBI Director in a Rose Garden ceremony and Supreme Court nominee Ruth Bader Ginsburg completed successful testimony before the Senate Judiciary Committee. White House Counsel Bernard Nussbaum exclaimed to Foster at midday: "Hey, Vince, not a bad day. We hit two home runs."[6]

Foster ate lunch alone at his desk and left his office at approximately 1 p.m. He was never heard from again.* At approximately 6 p.m., Foster's body was found at Fort Marcy, an isolated Civil War-era fort overlooking the Potomac River. A park maintenance worker was alerted to the dead body by an individual who has since remained anonymous. The Park Police then called the Fairfax (Virginia) County Fire and Rescue Department and, within 15 minutes, both Park Police and Fairfax County officers were on the scene. Foster's car was found in an overlook next to Fort Marcy.

The White House received positive identification of Vincent Foster's body that night while President Clinton was

*Inside White House source Deepwater reported that during the afternoon of July 20, Foster's office colleagues were looking for him and considered beeping him on his pager, but decided not to bother. Foster's co-workers were not alarmed by Foster's absence because he was known to leave the office for a period of several hours in the afternoon. After Foster was found dead, these colleagues wondered if the events of July 20 might have turned out differently if they had reached Foster by page and asked him to return to the office.

FOIA # none (URTS 16371) DocId: 70105752 Page 120

appearing on "Larry King Live." Upon finishing the show, Clinton was informed of Foster's death by Thomas McLarty. McLarty ordered Foster's office sealed, and he and the President left to visit Mrs. Foster at her home in Washington.

REACTION TO FOSTER'S DEATH

The initial reaction to Vincent Foster's death was one of total shock. Friends and colleagues uniformly described Foster as a strong and stable individual, the last person they would have expected to commit suicide.

The *Washington Post* reported, "At the White House, where Foster was a popular and respected figure, colleagues were stunned last night. One, calling his apparent suicide unbelievable, said Foster appeared to be 'the most normal person who worked in the White House.' "[7] President Clinton, who described Foster as his "friend for over 40 years,"[8] said, "in times of difficulty he was normally the Rock of Gilbraltar."[9] The *New York Times* quoted a senior administration official as saying, "People around here are totally devastated. They don't know what to do."[10]

Mrs. Michael Cardozo, who, with her husband, had hostessed the Fosters and the Hubbells in Maryland the previous weekend, said that Foster had "seemed relaxed and he seemed to be enjoying himself."[11] Chief of Staff McClarty reported that in the days and weeks prior to his death, Foster's "thought patterns were very clear and his counsel was still very sage."[12]

Many people naturally started to wonder why Foster would shoot himself. He didn't seem a likely candidate. Some even suggested foul play. It was hard to understand why Vincent Foster would leave behind his mother, his wife, and his three high-school and college-aged children. Why? Why would he do it?

FOIA # none (URTS 16371) DocId: 70105752 Page 121

As friends and reporters started pondering the reasons behind a Foster suicide, White House officials became tight-lipped. In a pronounced shift, statements coming out of the White House no longer praised Foster for his strength or expressed surprise over his suicide. The "Rock of Gilbraltar" line was dropped. Instead, top White House personnel started characterizing Foster as confused and overwrought. Spokesman Dee Dee Myers said, "People had noticed he was down and were worried about him."[13] And President Clinton remarked, "No one can ever know why this happened. What happened was a mystery about something inside of him."[14]

Had the White House really decided to spin control the death of a top official who had been a boyhood friend of the President? According to inside White House source Deepwater, the campaign to present Foster as "on the edge" was calculated. It was meant to deflect inquiries into the reasons behind Foster's suicide by giving the impression that his troubles were strictly personal. White House officials seemed to want to avoid the scrutiny that would follow if it were widely believed that Foster had killed himself due to work-related burdens or trouble.

Deepwater reported that Bernard Nussbaum even convened a meeting of his staff shortly after Foster's death to promote this official White House line. Nussbaum, said Deepwater, coached his staff to think and say that Foster's suicide stemmed from personal depression and personal problems.

Reporters, understandably hesitant to pry into the tragic circumstances of Foster's death, largely accepted this official version of events. One week after Foster's death, the *Washington Post* wrote that President Clinton and other senior White House officials had made "a series of statements . . . suggesting that Foster's death be viewed

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as a personal tragedy unrelated to his job."[15] The *New York Times* echoed: "After initially insisting that they had no idea why Mr. Foster would have killed himself, White House officials abruptly said last week that there were indications that he was depressed."[16]

But while the official White House line may have calmed media concerns, it did not jibe with statements made about Foster back in Arkansas. In Little Rock, Foster's friends were outraged by official Washington's depiction of Foster as reeling and beyond control. "He was not 'chewed up' by Washington," said Doug Buford, a Little Rock attorney who had been friends with Foster. "I resent that suggestion. Vince was such an able man. I think maybe the incredible pressure, the workload, exhausted him, and that was part of it, but ultimately something was badly askew, something so wrong it could make him think his three kids could be better off without him."[17]

David Williams, then-president of the Arkansas Trial Lawyers Association, told the *Wall Street Journal* on July 22, "I've had people call me and say he just didn't do it."[18]

When asked whether he had made statements suggesting Foster was depressed, Foster's brother-in-law, former Rep. Beryl Anthony (D-Ark.), said, "There's not a damn thing to it. That's a bunch of crap."[19]

Phillip Carroll, a senior partner at the Rose Law Firm who was Foster's mentor and is godfather to Foster's children, said that when he first heard of Foster's death he "kept saying no! That wasn't Vince Foster. He was my favorite. He was so competent. He was a very strong individual. I keep coming back to foul play. There had to be foul play involved."[20]

Carroll further reported that Webster Hubbell, then-Associate Attorney General, telephoned him the night of

Foster's death: "Webb called me at midnight the night it happened. He said, 'Don't believe a word you hear. It was not suicide. It couldn't have been.' "[21]*

Widow Lisa Foster retreated into isolation following her husband's death. Neither she nor her attorney, James Hamilton, made any public comment about the death. They declined even to say whether the gun found in Foster's hand was a family firearm.[23]

According to Deepwater, Lisa Foster began calling the White House shortly after the death seeking information from anyone who would talk to her. Mrs. Foster reportedly wanted to know what her husband had been working on, and if he had said anything to any of his co-workers that hinted at suicide. But, Deepwater reported, Foster's former colleagues would not accept Lisa Foster's telephone calls, leaving receptionists in the awkward and unhappy position of having to turn away her repeated inquiries. "Did he say *anything*?" "Did he do anything unusual?" These reported questions of Lisa Foster went unanswered. Deepwater said that receptionists dreaded to answer their telephones for several weeks following Foster's death, afraid it might be the distraught widow.

In marked contrast, Bill Clinton seemed indifferent about what drove Foster to kill himself. When asked whether he could think of Vincent Foster's motive for suicide, Clinton said, "No, and I don't think there is anything more to know."[24] On his way to Foster's Arkansas

*Reporter Gregory Jaynes wrote that "Carroll and Hubbell were thrown together several times the next few days, but Hubbell never voiced his doubts again." Carroll and his wife were invited by Hillary Rodham Clinton to come the next day to Washington, where they stayed in the Lincoln bedroom at the White House. Carroll recalled to Jaynes that at breakfast the next morning Clinton told his staff, "Don't let them get you. We know what they're up to, and we're not going to let them get by with it."[22]

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funeral, Clinton said, "I don't think that any of us will ever know why his life ended the way it did."[25] And when asked if he thought the investigation into Vincent Foster's death would turn up any answers, he said, "I don't think anything's going to come out of it."[26]

One might have expected that President Clinton would have expressed *some* interest in finding out more about the tragic death of his close friend and advisor. But, in fact, no one at the White House seemed to share Lisa Foster's desperate curiosity about her husband's death. And despite President Clinton's statement that he and the First Lady wanted to "draw the Fosters close to their heart,"[27] Mrs. Foster wound up communicating with the White House through her attorney.[28]

Over the course of many months, even as significant developments in the Foster case surfaced, Clinton continued to dismiss talk about Foster's possible reasons for suicide. "I really don't believe there is any more to know," he said during a January 1994 appearance on the "Larry King Show." "He was profoundly depressed. You know, he left a note."[29*]

BOTCHED INVESTIGATIONS

The investigation of Vincent Foster's death was fraught with mistakes and omissions from the very outset. Because Foster's body was found on a slice of federal property over which Park Police have legal jurisdiction, it was they who assumed responsibility for investigating the death.

Almost immediately after finding Foster's body, the Park Police reported the incident as an "apparent sui-

*The note to which Clinton referred was, in fact, a torn-up list of dubious origin, which made no mention of suicide. It was misleading of the President to tell the national television audience that Foster "left a note," implying it was a suicide note.

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cide."[30] Nonetheless, Park Police Chief Robert Langston promised that "no stone will be left unturned" in the investigation.[31]

But when Park Police investigators arrived at the White House to search Foster's office on July 21, they were barred time and again from entering it and had to schedule an appointment for the next day. Meanwhile, the White House announced that the Justice Department would be "the point of contact" for the investigation into Foster's death.[32]

On July 22, Bernard Nussbaum conducted the official search of Foster's office. Although this search was monitored by FBI agents and Justice Department lawyers, Nussbaum removed material that they were not allowed to view. Justice Department spokesman Carl Stern said officials had to take Nussbaum's word that the material he removed did not "shed any light on why Foster committed suicide."[33]

Meanwhile the Park Police, although technically the official investigators, were subordinated and denied access to Foster's office. They were made to sit outside in the hallway while Nussbaum sorted through Foster's documents. One investigator said, "We were definitely shown just what they wanted us to see. We couldn't copy anything."[34]

On the day of Nussbaum's office search, Justice Department spokesman Dean St. Dennis reassured the media that, as "part of good police work," the Justice Department would "find out what the factors were—if it was a suicide—that led to him [Foster] killing himself."[35] St. Dennis added that "everything will be done to keep in sharp focus even the remote chance that he may have been murdered."[36] But no such effort ever materialized. The Justice Department abandoned its efforts because the

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White House kept insisting that Foster's death was a suicide and that there was therefore no need to investigate.

On July 26, Justice spokesman Stern casually announced, "There is no investigation being conducted by the Justice Department."[37] The *Washington Post* reported that "Stern's comments . . . appear to conflict with statements made by White House and Justice Department officials last week and raise new questions about the extent of the inquiries into [Foster's] death."[38] And indeed, in less than a week, the Department of Justice did a complete about-face, from promising a thorough investigation to claiming official uninvolvement.

Whether by accident or design, events the week following Vincent Foster's death conspired to prevent any serious probe into the matter. The Park Police were prohibited from conducting a normal police investigation by officials who claimed the Justice Department was in charge. Then the Justice Department suspended its work, leaving the Park Police to wrap up superficial formalities.

"Had this been a murder," said Park Police spokesman Major Robert Hines, "I don't know what we would have done if we ran into that kind of roadblock. But we were pretty sure we knew what we were dealing with [a suicide]."[39]

In addition to refusing Park Police investigators access to Foster's office, Bernard Nussbaum insisted that lawyers from his staff monitor Park Police interviews of White House personnel. Nussbaum said he did this to provide a "comforting effect"[40] on White House employees, but investigators reportedly felt the lawyers' presence hampered their ability to obtain candid answers to their questions.[41]

"We have said publicly that we were unhappy with the type of cooperation we got" from Nussbaum, said Major Hines.[42]

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THE "FOSTER" NOTE

On Thursday, July 29, nine days after Vincent Foster's death and with questions about his motives hanging heavy, White House officials announced that a torn-up note had been found in Foster's leather briefcase on Monday, July 26. After its discovery, the White House held the note for 30 hours before releasing it to the Park Police, and waited three days before announcing to the public that it was a memo authored by Vincent Foster.

This note, and the circumstances of its discovery, are highly suspicious.

The "Foster" note was first reported by Associate White House Counsel Stephen Neuwirth, who claimed he found it in Foster's briefcase while packing up Foster's office. Neuwirth told his boss, Bernard Nussbaum, and Nussbaum informed Chief of Staff McLarty. White House officials consulted with Attorney General Janet Reno, who told them to turn the note over to Park Police investigators.

The note was found in 27 bits of torn-up paper. When the bits were patched together, it became evident that a 28th piece was missing from the lower right-hand area where a signature is usually found. An FBI fingerprint analysis found no fingerprints—"a circumstance," wrote the *New York Times*, "that some investigators have found hard to believe."[43]

Moreover, although the torn-up note was reportedly found in Vincent Foster's briefcase on July 26, a Park Police investigator said he had seen Bernard Nussbaum examining the contents of Foster's briefcase during Nussbaum's original July 22 search of Foster's office.[44] The *New York Times* wrote that when this investigator "confronted Mr. Nussbaum with his skepticism," Nussbaum said he "did not recall looking in the briefcase" during the July 22 search.[45] Pressed further, Nussbaum denied to the

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Times that the investigator had even confronted him with the apparent contradiction.[46]

The *Washington Times,* in its story of the discovery of the "Foster" note, reported that a Park Police investigator said that during the July 22 search he had had a "clear view into the briefcase" and was "certain it was empty."[47]

It was not until August 10, 1993, when the Park Police officially closed their investigation of Foster's death, that a transcript of the "Foster" note was finally released. The note consisted of a list of reflections, complaints, accusations, and exonerations. It did not mention suicide.*

According to Deepwater, many inside the White House did not think the note sounded like Vincent Foster. Specifically, Deepwater believes that Bernard Nussbaum's then-Executive Assistant, Betsy Pond, had reservations about the authenticity of the note. In fact, both the public record and Deepwater's private observations indicate that Pond may know more than she has publicly admitted.

According to the Park Police report, Betsy Pond visited Foster's office the morning after his death, despite Thomas McLarty's instructions that no one enter it. Pond's early morning visit occurred just before Secret Service agents set guard outside Foster's office to prevent anyone from

*Although the Justice Department released a transcript of the "Foster" note on August 10, it refused to release an actual copy of the note. Moreover, it refused to release the police and autopsy reports on Vincent Foster, a procedure that should have been routine. Ignoring Freedom of Information Act (FOIA) requests filed by news organizations including the *Wall Street Journal*, the Justice Department sat on these reports until the announcement of Special Counsel Robert B. Fiske, Jr., at which point Justice officials said all materials were forwarded to him in confidence. On January 21, 1994, five months after the *Journal* filed its FOIA request, Dow Jones & Company and *Journal* editor Robert Bartley filed suit against the Justice Department for copies of these reports.

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entering. When the Park Police arrived shortly after Pond's visit to Foster's office, they were barred entry.

It is not publicly known what Pond saw or accomplished while in Foster's office. Newspaper accounts have her "neatening" Foster's papers.

Pond's name also surfaced in connection with the Park Police interviews of White House officials. According to the *New York Times*, the Park Police reported that Nussbaum "burst in on the questioning of Ms. Pond, his Executive Assistant, to demand whether anything was wrong."[48] Nussbaum protested to the *Times* that he never "burst in," but merely checked on the interview to make sure things were going smoothly.[49]

Concerning the "Foster" note, Deepwater reported that Pond made a highly peculiar comment when the transcript of the note was released in August. "I was there when Betsy Pond talked about the transcript of Vince's note that was released publicly," said Deepwater. "Betsy started to say that she had seen, and then she paused, that she had seen something that was more like the beginning and the end of the note. When she was asked what she meant, she said, 'I think Vince wrote the stuff at the beginning and end, but . . .' Then she looked up and stopped talking. It was very strange. She had a puzzled look on her face, and said no more."[50]

Deepwater concluded, "Betsy Pond's words and actions when she talked about the publicly released transcript of the Vince Foster note strongly suggested that she had seen something that made her question the authenticity of the note. I believe she felt it was a forgery."[51]*

*When contacted at the White House for comment on March 23, 1994, Betsy Pond said before she was asked any specific questions that she couldn't comment

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Deepwater's reported encounter with Betsy Pond sparks interesting observations. The "Foster" note does seem uneven in tone and grammar, and it divides neatly into beginning, middle, and end sections, a fact that supports the conjecture that Foster did not author the middle section.

The beginning and end of the "Foster" note, namely the first two phrases and the last phrase, are similar. These three phrases all begin with "I" and read like the personal reflections of a person who is sad, disturbed, and remorseful. Could these be the passages to which Betsy Pond referred when she said she thought that Foster had written "the stuff at the beginning and end" of the note?

In contrast, the phrases in between seem impersonal and even legalistic. This part of the note defends the Clintons and the White House staff at the expense of the FBI, the press, the fired travel employees, the Ushers Office employees (some of whom were subsequently fired), the Republican party ("GOP") and the *Wall Street Journal.**

The activities of Betsy Pond, and the strange make-up of the "Foster" note, raise grave suspicions that the note itself, or its placement in Foster's briefcase, was somehow

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on matters regarding Vincent Foster. When asked if she had reason to believe the "Foster" note was unauthentic, Pond paused, then said, "I really can't comment on that." Pond said she might call back at another time, after she "checked some guidelines."

Although Pond never called back, White House spokesman Ginny Terzano responded one week later. Terzano said the Deepwater source had "bad information," and that this was "very serious." Terzano did not, however, refute any allegations about the authenticity of the "Foster" note. Terzano said Betsy Pond would not be available for further comment, and refused herself to answer or return subsequent telephone inquiries.

*A copy of the publicly released transcript of the "Foster" note is found in Appendix I.

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manipulated. The note did supply the much-desired confirmation that Vincent Foster was distressed. It defended the Clintons and their staff. And it conveniently redirected the search for blame for the death away from the Clinton White House and toward Republicans and the *Wall Street Journal*.

Did someone find an authentic Foster note, rip it up, and place the pieces in his briefcase? Why was a piece of the note missing, and what was on the missing piece? Did Nussbaum examine Foster's briefcase on July 22? If so, why didn't he find the note then? Is it possible, as Betsy Pond's comments suggest, that Foster had written a short note that was embellished by someone else after his death to include exonerations of the Clintons and their White House staff? If so, was the note forged to look as if Vincent Foster had written it?

Certainly individuals abound who were in a position to manufacture the note and who had a very strong motive for wanting to be exonerated both of wrongdoing in their work and blame for Foster's death.

CASE CLOSED?

On August 10, 1993, the Park Police officially closed their investigation into Vincent Foster's death. Breaking with normal procedure, the police and autopsy reports were not released publicly. At a press conference, Park Police Chief Robert Langston admitted that his investigators had been unable to determine where Foster spent the last few hours of his life, or who alerted the park maintenance worker to Foster's body.

Langston further baffled reporters with his inability to satisfy concerns and questions about the Park Police investigation. He apparently did not know who Kaki Hockersmith was, for example, although she is mentioned in

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the "Foster" note. "I believe Kaki is somebody in the White House," said Langston of the Little Rock interior decorator who was involved in a contretemps over costs for White House renovations. "That's what they speculate."[52]

Langston told reporters that his investigators did not bother to interview Bill or Hillary Rodham Clinton, even though both Clintons were in close contact with Foster. President Clinton, after initially and repeatedly denying contact with Foster before his death, had finally admitted speaking to Foster by telephone for 20 minutes on the eve of his death. Clinton said he had invited Foster to the White House to watch the movie, *In the Line of Fire*, and that they had scheduled a meeting for July 22.[53] And Hillary Rodham Clinton, although out of town the day Foster died, had an office right next to his and was working closely with him on several issues. Surely any thorough investigation of his death should have included interviews with her. But neither the President nor the First Lady was queried by police investigators.

In addition, Park Police Chief Robert Langston stated that the bullet that killed Foster was never found. He said he wasn't sure off the top of his head who the last person was who saw Foster, or even if that had been determined. Langston also admitted he didn't know if Foster had logged his car out of the White House in the early afternoon of July 20.

About the only thing the Park Police did determine was that Vincent Foster had eaten lunch. "We know that he had a full meal," said the Park Police Chief. "The medical examiner said that he had a full meal."[54]

Concerning Foster's alleged note, Langston said that when his investigators showed it to Lisa Foster, she identified the writing as her husband's. Langston also said the

note had undergone analysis by "an expert in handwriting," who determined that the note was Foster's.[55]

"Chief Langston," asked one reporter, "the fact remains—you don't know, do you, who tore the note up and put it in the briefcase?" Langston responded, "No, we don't." The Chief also confirmed that no fingerprints were found on the note, although there was "one [unidentifiable] smudged palm print."[56]

"The public has a right to know why things were bungled," editorialized the *New York Times* two days after the close of the Park Police investigation.[57] But no explanations were forthcoming from the federal government. After the Park Police concluded their inquiry, it was up to the press to try to collect new information.

On December 18, 1993, the *Washington Post's* Michael Isikoff reported the existence of a previously unmentioned Foster diary. Isikoff reported that the diary was given to Foster attorney James Hamilton shortly after Foster's death, and that the diary was shown to Park Police investigators on July 28, 1993, in Hamilton's office.

Sources told Isikoff that the diary included "entries relating to the 1993 presidential campaign, a party at Clinton's gubernatorial mansion in Little Rock, Ark., and a post-election discussion of whether Hillary Rodham Clinton would receive an office in the West Wing of the White House." In addition, one Park Police source told Isikoff that he saw "paperwork" relating to James McDougal among Foster's papers in Hamilton's office.[58]

Also in December 1993, five months after the Park Police closed their investigation, the *Washington Times*'s Jerry Seper reported the astonishing news that three top White House officials, in direct violation of Thomas McLarty's directive to seal Foster's office, had clandestinely visited the office the night of Foster's death. Seper

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further reported that documents concerning the Clinton's Whitewater involvement were removed in a subsequent visit to Foster's office.[59]

The officials who visited Foster's office the night of his death were White House Counsel Bernard Nussbaum, Special Assistant to the President Patsy L. Thomasson, and the First Lady's Chief of Staff Margaret Williams. The purported reason for the trio's trip was to look for a suicide note and protect national security secrets. But these explanations do not ring true. These were not officials involved in national security matters; in fact, Thomasson did not even have White House security clearance at the time of this search.[60]

In January 1994, the *Washington Times* had more disturbing news about the Foster case. The *Times* reported that Dr. James C. Beyer, Foster's coroner, had mistaken a murder for a suicide in 1989. This earlier case involved a man who died of knife wounds. The man's girlfriend said he had stabbed himself after an argument. Overlooking the fact that the victim had a cut on his supposed knife hand, Beyer confirmed the police report of suicide. The girlfriend passed a polygraph test, and the case was closed.[61]

But unsatisfied, the victim's mother consulted another medical examiner who ruled the victim's hand wound was "definitely ante-mortem [before death] and a classical defense wound suffered while trying to avoid the knife."[62] The mother succeeded in reopening the case, and the girlfriend was ultimately found guilty of voluntary manslaughter and sentenced to prison. "I cannot understand how any competent forensic pathologist would miss it," said the second medical examiner of Beyer.[63]

But despite this challenge to the competence of Vincent Foster's coroner, the Justice Department and Park Police

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continued to refuse release of Foster's police and autopsy reports.

Finally the *Boston Globe* published the unconfirmed report that Vincent Foster was left-handed—a suggestion which, if true, would make further suspicious the finding of a gun in his right hand. In his interview with the *Globe*, Park Police Chief Langston suggested that Foster could have used both hands when he shot himself.[64]

NEW YORK POST INVESTIGATES

In January 1994, sensing a cover-up, the *New York Post*'s Christopher Ruddy began a series of articles detailing his own investigation of Vincent Foster's death. Astonishingly, Ruddy discovered that the paramedics who arrived at the scene of Foster's death had never been questioned by the media about what they saw.

On January 27, 1994, Ruddy reported a description of the Foster death scene given by Fairfax County emergency worker George Gonzalez, who pointed out several "strange" aspects of the scene. First, according to Gonzalez, Foster's body was laid out "as if in a coffin."[65] Gonzalez added that Foster was still holding the gun, highly unusual in a case of suicide. Gonzalez also reported finding little blood on Foster. "Usually a suicide is a mess," he said.[66] Gonzalez was upset because the Park Police had declared Foster's death a suicide after only a cursory examination of the scene.

Ruddy quoted several experienced homicide investigators who thought that Gonzalez had described some very peculiar matters and indicated that only a thorough, professional investigation could determine whether Foster's "suicide" was genuine or staged. "In my 30 years in dealing with homicides," said one detective, "I've never

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seen someone shoot themselves in the mouth and still hold the gun perfectly at his side."[67]

After the *Post* story appeared, Gonzalez and his fellow emergency worker Kory Ashford were swamped with media inquiries. But Fairfax county officials made them cancel a scheduled press conference, and instructed them not to make any further public comments.[68]

In a March 7, 1994, follow-up article, Ruddy reported that his FBI and Park Police sources said investigators had committed serious blunders in their probe. For example, they failed to test the bottom of Foster's shoes for residue. Such a test could have determined whether Foster had walked, or been carried, into Fort Marcy. (One rescue worker told Ruddy that Foster's shoe bottoms were "very clean.") Ruddy further reported that the official investigators of the Foster death scene failed to conduct footprint tests in the area around Foster's body, failed to take an official crime scene photo, and failed to conduct "fiber sweeps of Foster's clothes and car."[69]

"If all this is true," said Vernon Geberth, a renowned homicide investigation expert, "this is the most sloppy death investigation I have ever heard of."[70]

Park Police Chief Robert Langston gave weak reassurance that Foster's body had not been moved. He said it would have been impossible for someone to drag Foster, who was a large man, to the spot in Fort Marcy without leaving a path on the ground or dirtying Foster's clothes. But Langston's explanation did nothing to allay the suspicion that Foster was *carried*, perhaps by more than one person.[71]

In yet another *New York Post* exposé, Ruddy reported that three White House sources told him Bernard Nussbaum sought the combination to Vincent Foster's safe the night of Foster's death. Ruddy was told White House aides

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were scrambling like "cats and dogs" to open Foster's safe on the night of July 20.[72]*

THE MAN IN THE WHITE VAN

Although witnesses had reported a white van at Fort Marcy near the time of the discovery of Foster's body, Park Police closed their investigation without having determined who the owner of the van was, or if he/she played any role in the events that afternoon. Could the driver of the white van have known something about Foster's death? Was he the anonymous person who approached the park maintenance worker? Or, speculating darkly, could the driver of the white van have deposited Foster's body in the park?

It was not until April 1994 that the mystery of the "man in the white van" was apparently solved. According to former FBI agent G. Gordon Liddy of Watergate fame, the owner of the white van contacted him in March, saying he was the person who notified park officials of Foster's body. The white van owner said he had been afraid to step forward publicly and had contacted Liddy because he trusted him and knew Liddy wouldn't "give me up."[73]

According to Liddy, who interviewed the driver, the

*One month prior to Ruddy's report that Nussbaum sought Foster's safe combination, authors Stone and Manion were approached by a friend of a woman who worked in White House security. The story related by the friend fit exactly with Ruddy's *Post* report: the night of Foster's death, Nussbaum was very anxious to get inside Foster's safe, but didn't have the combination. The White House security employee reportedly said that Nussbaum was "frantically" seeking the combination, screaming at one White House employee whom he suspected had it. (The individual at whom Nussbaum reportedly screamed reportedly did not know the combination.) After finding out that the friend had made overtures to speak to the authors and to the *Washington Post* on her behalf, the female security employee "freaked out," in the words of her friend, and said she did not want to talk to either source. "I'll wind up like Foster if I talk," the woman reportedly said.

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driver was returning home from work on July 20, 1993, when he stopped at Fort Marcy because he needed to urinate. Looking for a private area, the driver came across Foster's body. At first, the driver thought Foster was sleeping, but upon close examination, he saw that Foster was dead.

The driver, according to Liddy, reported that Foster was not holding a gun. "Witness stated that he had observed both hands of the body and that neither held gun," wrote Liddy in his report on their interview. "He stated that, in his opinion, had a shot been fired [at that scene], it would have been heard by the guards across the road at the home of a rich Saudi Arabian."[74]

Liddy, who is now a successful radio talk show host, reported his interview with the driver of the white van (with the driver's permission) to Special Counsel Robert B. Fiske, Jr. and Fiske sent agents to interview the driver in early April. "My gut instinct is that this guy is real," Liddy said. "There were 14 different points established [during their interview] that indicates he's real . . . [and] remember, I was trained to interview people by J. Edgar Hoover."[75]

WILL THE TRUTH OUT?

The reasons for, and circumstances of, Vincent Foster's death on July 20, 1993 remain a mystery. But they shouldn't. "We do not think that in death [Vincent Foster] deserves to disappear into a cloud of mystery that we are somehow ordained never to understand," wrote the *Wall Street Journal*. "The American public is entitled to know if Mr. Foster's death was somehow connected to his high office. If he was driven to take his life by purely personal despair, a serious investigation should share this conclusion so that he can be appropriately mourned."[76]

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The federal government promised "good police work" on the Foster case, but so far it hasn't delivered. The Justice Department said it would find out if Foster's death was a suicide, and, if it was, why. But no answers have been forthcoming. In fact, the investigators responsible for finding out the truth were seriously hampered in their efforts by the Clinton White House. "Good police work was out the window," said a Park Police investigator following the improper visits to Vincent Foster's office by Bernard Nussbaum, Patsy Thomasson, Margaret Williams, and Betsy Pond. "Any evidence we found in that room [Foster's office] could have been contaminated . . . We basically were just jumping through the hoops."[77]

Instead of hoop-jumping, Americans deserve believable answers to questions about the death of an intimate advisor to the President of the United States. The Clinton administration should release the police and autopsy reports on Foster. It should be determined with certainty if Foster or someone else pulled the trigger, where Foster's death took place, whether he authored the note attributed to him, and whether he left it torn up in his briefcase. If suicide is established, investigators should provide a "psychological autopsy" to find out why Foster took his own life.

"What terrible secret drove Vincent Foster, the Clintons' personal lawyer, to put a bullet through his head?" asked *New York Times* columnist William Safire.[78] This question weighs heavily on many people's minds.

1. Vincent W. Foster, addressing graduates of the University of Arkansas Law School; May 8, 1993.
2. Rep. James Leach (R-Iowa), quoted in the *Washington Post*; January 12, 1994.
3. Editorial, *Wall Street Journal*; January 14, 1994.

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4. Ruth Marcus, "Clinton Aide Vincent Foster Dies in an Apparent Suicide"; *Washington Post*; July 21, 1993.
5. Michael Isikoff, "Foster was Shopping for Private Lawyer, Probers Find"; *Washington Post*; August 15, 1993.
6. Bernard Nussbaum, quoted by Thomas L. Friedman in "White House Aide Leaves No Clue about Suicide"; *New York Times*; July 22, 1993.
7. Ruth Marcus, *supra* endnote 4
8. *ibid.*
9. Bill Clinton, quoted by Ruth Marcus in "One of the Golden Boys"; *Washington Post*; July 22, 1993.
10. Gwen Ifill, "White House Aide Found Dead"; *New York Times*; July 21, 1993.
11. Ann Devroy and Michael Isikoff, "Handling of Foster Case is Defended"; *Washington Post*; July 30, 1993.
12. Thomas L. McLarty, quoted by Stephen Labaton in "Justice Dept. to Stay on Case of Aide's Death"; *New York Times*; July 23, 1993.
13. Dee Dee Myers, quoted by Frank J. Murray in "Clinton Called Foster Day Before his Suicide"; *Washington Times*; July 28, 1993.
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APPENDIX I

What appears below is the publicly released transcript of the note allegedly found in 27 bits in Vincent Foster's briefcase by Associate White House Counsel Stephen Neuwirth four days after Foster's death.

In light of information related by the inside White House source Deepwater, it is interesting to note that the phrases appearing at the beginning and the end of the note (which appear in bold) seem incongruous with the phrases of the middle segment (which appear in italics) in tone and construction.

The bolded phrases all begin with "I." They seem to reflect Vincent Foster's personal concerns at the time of his death. Foster was burdened by several on-going White House controversies, including questions about the Clintons' Whitewater investment and the Travelgate controversy.

The phrases in the middle segment of the note, however, are written mostly in the third person, and have an impersonal and legalistic tone.

An FBI fingerprint analysis of the 27 bits of paper found no prints.

I made mistakes from ignorance, inexperience and overwork

I did not knowingly violate any law or standard of conduct

No one in the White House, to my knowledge, violated any law or standard of conduct, including any action in the travel office. There was no intent to benefit any individual or specific group

The FBI lied in their report to the AG [Attorney General Janet Reno]

The press is covering up the illegal benefits they received from the travel staff

The GOP has lied and misrepresented its knowledge and role and covered up a prior investigation

The Ushers Office plotted to have excessive costs incurred, taking advantage of Kaki and HRC [Little Rock interior designer Kaki Hockersmith and Hillary Rodham Clinton]

The public will never believe the innocence of the Clintons and their loyal staff

The WSJ [Wall Street Journal] editors lie without consequence

I was not meant for the job or the spotlight of public life in Washington. Here ruining people is considered sport.

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Clinton distracts us with shameless fraud

"SCANDAL IN LITTLE ROCK: A Tawdry Assortmer

Troubling questions of money

The Bill Clinton Cover-up"

How to Meet Girls

The Fiske Coverup II

Kiting Checks

Media Disregard

Paula Jones and Others

The Story of the Century?

"Violent Coincidences"

The Coming Train Wreck

Suicide or Murder?

Overflowing Whitewater

The Whitewatergate affair has come to include much more than the Clintons' involvement in a real estate deal gone sour.

"Major scandals are about to engulf the current Administration. . . .Clinton's chances of reelection are zero. Part of the reason is his wife. . ."

Magaziner: Testimony "misleading."

• Henry Cisneros, Secretary of Housing and Urban Development.

• Ron Brown, Secretary of Commerce. The former Democratic Party chieftain has often skated to the edge of the ethical rink.

• Conspiracy: Former Arkansas Judge David Hale made a $300,000 Small Business Administration loan to a real-estate company owned by Susan McDougal. Half that money found its way into the Whitewater Development Corp.

Government investigators question the propriety of the SBA loan, which was intended to help minority-owned small businesses. Hale claims Bill Clinton and James McDougal pressured him into giving the money to Mrs. McDougal and says he has records to prove it.

• Violation of attorney-client privilege: Vincent Foster Jr. solicited federal contracts to sue Madison Guaranty on behalf of the Rose Law Firm of Little Rock. He failed to disclose the fact that Rose partner Hillary Rodham Clinton had represented the savings and loan. The solicitation at a bare minimum threatened Madison's attorney-client privilege with Rose.

• There is the incredible sweetheart deal White House aide George Stephanopoulos made with a major bank.

Even if it was suicide, it's obvious that Foster possessed highly sensitive information that the Clintons wished to conceal.

• Obstruction of justice: White House counsel Bernard Nussbaum took several boxes of files from Vincent Foster's office after Foster's suicide. He shipped the deceased aide's personal diary and papers to the Foster family lawyer, James Hamilton, and records regarding the Whitewater Development Corp. and other dealings to David Kendall, the Clinton family lawyer. He prevented investigators from looking at the documents. These acts could have violated several federal statutes, including laws that require the preservation of White House documents and prohibit the removal of records relevant to an ongoing criminal investigation.

Administration stonewalling and name-calling have transformed a political nuisance into a potential disaster, and that is amazing. As political scandals go, Whitewatergate should have been small potatoes.

It Takes More Than Friends in High Places

The Kathy Ferguson Suicide

Danny Ferguson is a codefendant in the Paula Corbin Jones lawsuit against Bill Clinton. He was the state trooper who allegedly invited her up to Clinton's hotel room and stood guard outside the door while the two met.

Ferguson's wife Kathy was found shot to death the week after Jones filed suit.

What the Witnesses Say

It's not shocking that political enemies are flinging vulgar, sordid accusations against a President and his family. Remember the story that Nancy Reagan had sex with Frank Sinatra in the White House? What is shocking is that the stories about Clinton and Hillary are believable given what we already know and the many witnesses who have come forward.

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CH
WOODWARD & BERNSTEIN
AND Wallace, Koppel, Downs, Walters, Stahl, Sawyer, Rather, Brokaw, Jennings, Donaldson, Anderson, Broder, Chung, AND ABC, CBS, NBC, CNN, AND N.Y. Times, Washington Post, AND Oprah, Sally Jessie, Geraldo, Phil, Povich, AND N. Enquirer, Globe, Star, TV Guide, People, et al... CH WHERE ARE YOU WHEN WE NEED YOU

M O S T?

The Clinton Scandals

'Ethics president' takes over REAL DISASTER

Start shredding the news

The Dirt Emerges

Will they come clean?

WHITEWATER COVERUP WON'T WHITEWASH

Too hot to handle

Stonewalling justice

'A Chilling Effect'

Ignore Whitewater?

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What will third act bring?

The Mystery Man

Bill Clinton and Dan Lasater were two of the most dynamic, successful young men in the United States. One was the country's youngest governor. The other founded the Ponderosa steak chain and cashed out for more than $37 million while still in his twenties.

It's no surprise they would be drawn to one another and become very good friends. The two played golf together at the elite, all-white Little Rock country club reserved for the state's leading citizens.

But they were more than friends. After selling his fast food empire, Lasater launched into a second career as an Arkansas bond dealer. He contributed generously to Clinton's campaigns and his brokerage firm was rewarded with a large share of the state's bond business.

Our sources say that Lasater entertained business associates at his mansion and on his private planes, setting out bowls of cocaine at the parties like so much chip dip.

Hillary Clinton and other Rose lawyers personally negotiated deals in which wealthy Arkansas figures, including Dan Lasater, were "forgiven" the debts they owed to failed savings & loans. We taxpayers had to pay the difference.

Clinton pardoned Lasater in 1990 and expunged his cocaine conviction from the record. Lasater now has no record. It's as though nothing happened. Out of a 2 1/2-year sentence, he served six months in a halfway house and under house arrest.

As with most of Bill and Hillary's dealings, no one yet has found their fingerprints on a damning piece of evidence. As with Lasater, the Clintons did big favors for bad people, and received big favors in return.

Thank Bill Clinton

Madison Guaranty was typical of the whole nationwide savings & loan mess, but it's important to note that Clinton's Arkansas was one of the worst offenders.

In Arkansas, the federal government had to close eight out of every ten state-chartered S&Ls. You and I had to cover an unusually large percentage of the deposits, including half the deposits at Madison.

• Conflicts of interest: When federal regulators were recommending that Madison Guaranty mend its ways or close its doors, McDougal concocted a plan to sell preferred stock to the public. He hired Hillary Rodham Clinton as his lawyer in response to Bill Clinton's personal request for "help."

Mrs. Clinton asked a securities commissioner appointed by her husband to approve a stock-sales plan proposed by his (and her) business partner, James McDougal — without telling the Arkansas official about her ties to the thrift operator.

A Crazy Little Woman In Kansas City

The reason for all these secret meetings wa an investigation into Madison Guaranty mounte by the regional RTC office in Kansas City. If Jue Sirica was the brave public official who refused knuckle under in the Watergate cover-up, then Jean Lewis of the Kansas City RTC office may g down in history as the person who insisted on ge ting to the bottom of Whitewater.

Bill Clinton disparaged the RTC investigators as Republican appointees. The truth is they were career civil servants or temporary help.

The Lewis team sent their criminal referral to the FBI and U.S. attorney's offices in Little Rock. The Little Rock people found it too hot to handle and bucked it up to Bush's Justice Department in Washington. There it sat while Clinton won the '92 election.

Once in the White House, one of the Clinton Administration's first acts was to fire every U.S. attorney in the country. The normal practice is to replace them gradually so as not to disrupt ongoing business.

In May '93 Jean Lewis began pestering the interim U.S. attorney in Little Rock for a response to

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IRF Sues U.S. Attorney General JANET RENO

• Consider the free speech violations of the Department of Housing and Urban Development, bringing the force of federal legal action against several citizens who voiced objection to certain HUD projects. The citizens dared to question, for instance, the erection of projects for the homeless, mentally ill, and alcoholics in their neighborhood. HUD, in this case personified by Roberta Achtenberg, a lesbian activist and Assistant Secretary for Civil Rights and Equal Opportunity, considers such objections to be violations of the Fair Housing Act. When criticism arose, Achtenberg claimed the department would no longer investigate public activities that "don't involve force, physical harm, or a clear threat of force or physical harm." Liberty and property rights mean little to these bureaucratic tyrants, who still maintain their threats of imprisonment and fines.

• There are the callow White House staffers themselves, of whom one Administration source was quoted in the *Washington Times* as saying: "Of about 1,000 FBI background checks of White House personnel, more than 500 revealed derogatory information that would have prevented the people [involved] from obtaining security clearances at the FBI, Defense Department, or CIA."

• Lifelong Clinton friend David Watkins, the White House chief administrative officer, was forced from office after publicity over his use of one of the President's helicopters on golf outings.

• Janet Reno, Attorney General. Ms. Reno's Justice Department has revealed itself to be the enemy of the First Amendment's freedom of religion and the Second Amendment's freedom to keep and bear arms — with, for example, the violent raids in Waco, Texas against the Branch Davidians and in the Idaho mountains against Randy Weaver and his family.

• There remain questions over President Clinton's legal slush fund, used to counter charges that he asked Arkansas state employee Paula Jones to perform a sex act.

• **Illegal gratuity:** Just before becoming governor of Arkansas, Bill Clinton and his wife joined a real-estate partnership with old friend James McDougal and McDougal's then-wife, Susan. The Clintons put up less than 9 percent of the start-up money for the Whitewater Development Corp. and got 50 percent of the stock.

The arrangement is public record. Does the discounted price of the partnership constitute an illegal gratuity?

• **Illegal campaign contributions:** James McDougal threw a fund-raiser on April 4, 1985, to help rescue Clinton from a $50,000 personal loan. The party raised $35,000.

Federal investigators suspect $12,000 of the donations were siphoned from a savings and loan owned by McDougal. If so, the Clintons received money taken from depositors of the Madison Guaranty Savings and Loan — an institution that failed at a cost to taxpayers of $47 million to $60 million.

• Roger Johnson, head of the General Services Administration, has come under fire for employing his staff for personal household work, such as waiting at his home for deliveries or personal letters and taking his Mercedes to the car wash.

Two witnesses — so far — say Clinton was a gung-ho participant as recently as the mid-'80s. Clinton is hiding something more serious than adultery.

What's more, several state troopers have come forward to say it was their job to procure women for Clinton. By using a trooper to make the initial approach, Clinton could protect himself from charges of sexual harassment. If true, it was a blatant misuse of taxpayers' money, say what you want about adultery.

The bluff didn't work.

The White House spent a week besmirching Republicans who wanted a special prosecutor to look into what has come to be known as "Whitewatergate," but public pressure finally forced the president to ask for one anyway.

The question now is whether the Clinton team will come clean or try to manage the flow of information to investigators. So far, it has employed every trick in the book to foil the inquisitors, including the cheesy use of the president's late mother, Virginia Kelly, as a political human shield. Al Gore thumped the dead woman's coffin four times on CBS's *Face the Nation* last week.

These gimmicks haven't worked because the facts raise the possibility that the president and his friends bent the law during his tenure as governor of Arkansas. Here's a small, incomplete list of allegations.

• In the fallout over various aspects of the Clinton Whitewater investigation, there were several forced departures from the Administration, including White House counsel Bernard Nussbaum, Deputy Treasury Secretary Roger Altman, and Treasury officials Jean Hanson (chief counsel) and Josh Steiner (chief of staff). Evidence elicited from the latter three indicated that Treasury Secretary Lloyd Bentsen also had been briefed on (at the least) the unethical contacts between the Treasury Department and the White House.

The Washington correspondent for London's respected *Telegraph* newspaper calls U.S. press coverage of the Clinton scandals the greatest news blackout in a democratic country since the British press in the 1930s covered up circumstances leading to the abdication of King Edward VIII.

If your only source of information is the newspaper, you might be making a big mistake.

Say Hello to President Al Gore?

Dancing the Clinton Shuffle: Deny, Distort, Distract . . . Kick!

Oh no. Not another Arkansas state trooper. Yes, it's true. L.D. Brown's the name, and procurement's the game. Brown, who served on then-Gov. Bill Clinton's security detail in Arkansas from 1982 to 1985, told the *American Spectator*'s Daniel Wattenberg that he had approached "over a hundred, at least" women on the governor's behalf.

Object: nooky. (And not just for the governor: Brown, who reportedly is now happily married, was privileged and pleased to satisfy his urgings on the "residuals," as he and the governor charmingly dubbed them.)

By the time you read this, I am sure the White House will have cleared everything up in typical fashion. Expect a statement along the following lines: "These allegations are a decade old and politically motivated. They are absurd. At no time did the governor do anything improper. These partisan attacks are a crude attempt to divert attention from the real issues the American people want addressed."

In other words, it's all true — or at least we're not saying it isn't.

Far be it for me to call the White House staff and the president a bunch of pathological liars. In fact, they are a bunch of pathological sidesteppers.

Ask them a question and you get something that sounds like a response but is not a response. Then, if you seek to point this out, they rear up on their hind legs and tell you they've already disclosed everything and put the matter to rest. And there things stand in the absence of documentary evidence to the contrary of the impression the White House has tried to create — at which point, they offer another misleading tidbit and announce that now everything has been fully disclosed and put to rest.

Question: How did Hillary manage to make a $100,000 killing in the commodities market?

White House: And she reported her capital gains on her tax returns. See? And this is just a blatant effort to divert attention from the White House's accomplishments.

Question: Did she fulfill the financial requirements for commodities trading that were in place at that time?

White House: She invested $1,000 of her own money. You're a sexist for asking, by the way.

Question: Doesn't making a 10,000 percent return on her investment make her one of the greatest commodities traders who ever lived?

White House: Sometimes she made money, sometimes she lost money. Here are the monthly records of her account. See? And it is disgusting that people should be attacking the character of the first lady during Lent. Have you no decency?

Far be it for me to call the White House staff and the president pathological liars. In fact, they are pathological sidesteppers. Ask them a question and you get what sounds like a response, but isn't.

Question: What about records of the individual transactions?

Bill himself: Yes, there was a margin call, the way I remember it. I'd forgotten all about it until, coincidentally, I just happened to be reading my late mother's autobiography, and I came across a passage that reminded me that Hillary and I had stepped in to help her with a loan for the house in which she lived until she recently died, and we did that with the return on the investment that Hillary made — and if all of you in this room have doubts about Hillary, I'll tell you, if half the people in this country had her moral compass, we wouldn't have half the problems we do — and the return on the investment that helped my late mother, who just recently died, came in the margin call I had forgotten about.

Question: Wasn't this actually a case of illegal "allocation" of trades, whereby traders run through their accounts at the end of the day and assign favored people only trades that made money, like this here professor says?

White House: Ha! We caught you! That professor never said that anything like that happened in this particular case. Here is his letter denying he ever, ever said that that's what happened. This proves the ignorance of you reporters and your bias against the first lady and the fact that this has become a media feeding frenzy in which irresponsible and outrageous allegations with no basis are spread irresponsibly and outrageously.

Question: So Hillary made her $100,000 just by trading her account like any other trader?

White House: The fact that the first lady is a gifted commodities trader is perfectly consistent with her high levels of achievement in many other areas ranging from the law to public policy matters. And these outrageous questions would never be leveled against a man.

Question: So nobody actually manipulated the trades to guarantee Hillary made money?

White House: The first lady, then and now, has been very busy, not only with the responsibilities of her illustrious career and of motherhood, but also with the public's business, for which, may I remind you, she has never been compensated. Of course, the actual trades in her account were authorized by her close friend and adviser, a prominent lawyer in Arkansas whose integrity has never been questioned, and this was a common practice among brokers at the time.

Question: Isn't that illegal?

Bill himself: We have nothing to hide, and we have fully and voluntarily released everything — setting, I might add, a standard for openness that was unmet during 12 years of Reagan-Bush. My wife's moral compass is screwed on straight, as everyone who has been privileged to know her will tell you.

Question: About the latest trooper?

White House: The president's moral compass is fine, too, bub.

By Tod Lindberg

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Bill Busters

THE BUCK PASSES HERE

"The great presidents of our time have gone beyond pointing the finger of blame to assume the burden of responsibility... President Truman — who had to make the awesome decision about atomic weapons to end World War II — didn't blame everybody else for his problems. He didn't try to pass the buck. He had a sign on his desk that said, 'The buck stops here.' "
— Bill Clinton (New Orleans Superdome, 7/29/92)

☞ **Hillary on health care:**
"Ultimately, the buck stops with the Congress. And that is stating the obvious."
(CNN, 10/26/93)

☞ **Clinton on the mistaken deficit reduction numbers:**
"Call [OMB head Leon] Panetta. That's his department."
(*New York Times*, 2/19/93)

☞ **Clinton on Waco:**
"Talk to the attorney general or the FBI. I knew it was going to be done, but the decision was entirely theirs. They made the tactical decisions."
(*USA Today*, 4/20/93)

☞ **Clinton on Travelgate:**
"I had nothing to do with any decision, except to save the taxpayers and the press money."
(AP, 5/25/93)

☞ **On Clinton on Somalia:**
"Clinton is angered at what he believes to have been a breakdown of responsibility for the troubled mission. The U.N. gets the brunt of his wrath, but he also takes National Security Advisor [Anthony] Lake to task for failing to keep him informed. Key decisions on Somalia were apparently delegated to low-level aides."
(*Wall Street Journal*, 10/8/93)

☞ **On Clinton on foreign policy:**
"Clinton's desire to distance his administration from two bloody, if minor, crises in Haiti and Somalia was understandable. But his topsy-turvy policy rekindled doubts about his steadiness in foreign affairs and his inclination to shift the blame, sometimes at the expense of America's friends abroad."
(*Washington Post*, 10/24/93)

Mr. Clinton...

"But I don't know anybody who's out there who believes that all these elections are any more than a referendum on what people want for their mayors and their governors."
— Bill Clinton (NBC, *Meet the Press*, 11/7/93)

...Meet Mrs. Clinton

"I have a very personal feel[ing] about this. What you do on Tuesday sends a huge signal across this country."
— Hillary Clinton, 10/30, campaigning for Jim Florio
(*Wall Street Journal*, 11/5/93)

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WILLIAM P. CHESHIRE
Senior Editorial Columnist

The dangers of covering Whitewater

Before leaping to the conclusion that Whitewater is no more than a mixture of Arkansas cronyism and White House ineptitude — the view favored by Clinton partisans — perhaps we should examine Deroy Murdock's piece in the *New York Post*.

Murdock, an old friend of mine from the Washington years, has pulled together several episodes that suggest, he writes, a "pattern of violence and intimidation" involving the first family, their former associates, and unwary investigators. Some of these incidents have received past mention in this column; some haven't.

• L.J. Davis, a 53-year-old writer doing a cover story for *The New Republic*, was knocked unconscious as he returned to his room at the Legacy Hotel in Little Rock last Valentine's Day.

"The next thing I remember, four hours later, at 10:30 at night, was waking up on the floor of the foyer," he says. Undisturbed were his wristwatch and a wallet containing some $200. Missing were several pages of his notebook "in a very significant portion."

Entering the 'red zone'

Before leaving for Little Rock, Davis says, "the office of a high government official in Washington" warned him, "You've gotten into a red zone."

• A few minutes before midnight on Jan. 24, four days after Robert Fiske was appointed to run the Whitewater investigation, a fire partly destroyed the Little Rock office of the Peat Marwick accounting firm, which had done the re-audit of Madison Guaranty in 1986.

Peat Marwick insists that the blaze destroyed no documents. Says a spokeswoman: "The fire is suspicious only in people's minds," which is where suspicions generally are lodged. Three days after the fire, coincidentally, the Rose Law Firm began shredding mountains of documents files of Clinton intimate and former Rose partner Vincent Foster, deceased.

• Last month Ambrose Evans-Pritchard, Washington correspondent for the London *Sunday Telegraph*, planned to interview a Little Rock dentist who had "some knowledge of a sensitive nature" bearing on the president's Little Rock affairs.

On March 4 Evans-Pritchard got a call from the go-between who had arranged the meeting, telling him the interview was off. "They got him last night" in a plane crash in Wichita Falls, Texas, Evans-Pritchard was informed.

A 'serious shutting-up operation'

The night before, the pilot of a twin-engine Cesna reported electrical trouble, signaled that he was landing to refuel near Lawton, Okla., and shortly afterward crashed near Wichita Falls, 45 miles south of Lawton, with a full tank of gas. Among the dead was Little Rock dentist Ronald Rogers.

"It's a bit difficult for people to understand that this is going on in the borders of the U.S.," says Evans-Pritchard, who earlier reported on threats to "bimbo" Sally Perdue. "There's a serious shutting-up operation under way."

• On his way home from a restaurant last Sept. 26, Luther "Jerry" Parks, whose company had provided security guards to candidate Clinton's Little Rock headquarters, was cut down in a hail of gunfire, the target of at least 10 slugs from a 9mm semi-automatic.

His widow suspects premeditation. "I believe someone has been watching us," Jane Parks told the *Arkansas Democrat-Gazette*. Her son concurs.

"My dad was working on Clinton's infidelities for about six years," says Gary Parks, a former submarine navigator, and kept the files at home in the bedroom. Shortly before the fatal shooting, burglars broke into the Parks house and cut the phone lines, knocking out the security system. When Jane and Gary Parks tried to find the Clinton files, they were gone.

Not being Oliver Stone, I'm ordinarily unexcited by Byzantine plots involving wisps of smoke and shadowy figures on grassy knolls. At the same time, I can't help remembering Sally Perdue and the three break-ins at *The American Spectator* just before its Troopergate scoop.

The Washington Post's Richard Harwood urges the media to "cool it," but they already have. The bloodhounds who [illegible] Per Ed Meese and Neil Bush can't seem to pick up the scent of a sitting president.

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WILLIAM P. CHESHIRE
Senior Editorial Columnist

Spin doctors go to work on Whitewater

White House spin doctors last week launched a three-pronged attack in defense of President Clinton's actions in the Whitewater affair, according to correspondent Gwen Ifill of *The New York Times*.

Prong 1. The first family has done nothing wrong. This theme, Ifill reports, is sounded repeatedly by press secretary Dee Dee Myers and other Clinton drum-beaters.

Prong 2. The charges of wrongdoing are too vague to meet the requirements for investigation by a special counsel. This was the stone wall behind which Clinton huddled until Wednesday, when he panicked in the face of growing interest in an investigation not run by the White House and a compliant attorney general.

Prong 3. Washington is such a mean and nasty town that even while the president's deceased mother was being laid to rest in Arkansas, the "cannibals" — spinmeister David Gergen's awkward coinage — continued to chew on the remains of the good man's reputation.

At the risk of being accused of cannibalism, let us examine these defenses, prong by prong.

Hiding the evidence

Prong 1. If the Clintons have done nothing wrong, why don't they simply release the Whitewater file? They say they resent "intrusions" into their privacy, but this bashfulness is new. During the campaign Clinton happily paraded out the family skeletons, including a vivid account of how he once intervened to keep his drunken father from beating his mother.

The file on the Clintons' Whitewater involvement was entrusted to White House counsel Vincent Foster, who shot himself shortly after conferring with James Lyons, the man Clinton hired to audit his financial affairs. After Foster's suicide the file was swiftly removed from Foster's office, just ahead of the police, and deposited for safekeeping with Clinton's private attorney. Even Democrats had to admit that this looked fishy.

Discovering that the Justice Department planned to subpoena the file, Clinton's lawyer cleverly had the subpoena broadened to include other documents as well. "Disclosing information from a subpoenaed document," notes *Newsweek*, "is a federal crime."

The blameless normally do not go to such lengths to suppress evidence of their innocence.

A matter of trust

Prong 2. On Monday the administration was still adamant that a special counsel was unnecessary. Then came the bipartisan cries for a Senate inquiry. On Wednesday Clinton, calling in from Prague, ordered Attorney General Reno to appoint a special counsel.

"Mr. Clinton's decision," commented the pro-Clinton *New York Times*, "followed the ignominious collapse this week of what had been the White House's main line of defense — that the whole story was a concoction of the media and of Republicans eager to embarrass the president."

Some suspect that administration dawdling had to do with the statute of limitations on civil liability. It runs out in March on Hillary Clinton's dealings with Madison Savings & Loan.

Will Reno appoint an investigator with no strings attached? Will the Clintons cooperate? We'll see.

Prong 3. If Washington is a mean and nasty town, in some measure this is because it's the quintessential political town in an age of moral equivocation and cynicism when it is commonly held, especially by politicians, that the ordinary rules on honesty and fair-dealing have no place within a political context.

When David Gergen says "there is a cannibalism that's loose in our society," devouring a president who only wants "to do the right thing," he's not defending high standards of public service. He's suggesting presidential saintliness and ugly motives on the part of agnostics.

This may be his job, but it puts to rest no nagging doubts. What's needed is a clearing of the air, which can be achieved only through a public sifting of the evidence. What we get instead are weeks of stonewalling, lawyerly tricks, grudging capitulations — all combined with denunciations and crocodile tears from people whose specialty is keeping the public in the dark.

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All in the family: A primer to help sort out Whitewater's cast

RAY ARCHER
Editorial Writer
The Arizona Republic

Comedian Rodney Dangerfield would be the ideal candidate if Arkansas were in the market for an official spokesman. Ever since Bill Clinton splashed on the national scene, the Ozark state has not gotten any respect.

Indeed, late-night TV talk show hosts have had a field day making jokes about the barefooted, backwoods hillbillies who supposedly inhabit the "Land of Opportunity," as the state's official motto declares.

The phenomenon, as students of political correctness know, is called "regionalism." It affects the South disproportionately, with it being the butt of humor about such things as grits, overalls, double first names — Jim Bob and Betty Lou — and first cousins marrying each other.

Having lived awhile in the South, I can testify that its country bumpkin image is largely overblown, but not totally inaccurate. There is a kind of laid-back, family-centered culture that permeates Southern society, particularly in smaller towns. Everybody seems to know each other, and many are related.

An understanding of Southern familial ties no doubt would help special counsel Robert Fiske, appointed by Attorney General Janet Reno to sort out the Whitewater mess involving Arkansas' favorite son, his wife, and a host of other close relations, business associates, friends and Little Rock cronies.

Thanks to the work of the House Republican Policy Committee, a "family tree" of the Whitewater players already is available. *Republic* readers might want to keep the following guide handy as the sordid details of the probe into Arkansas politics and high finance filter out over the next several months.

✔ **Whitewater Development** — a plan hatched in 1978 to build vacation homes on 203 acres located along the White River in the Ozarks.

✔ **James McDougal** — owner of **Madison Guaranty Savings and Loan**, which failed at a cost to the taxpayers of up to $60 million, and partner in **Whitewater Development** with **Bill** and **Hillary Rodham Clinton**. He served for a year as **Gov. Clinton**'s top economic adviser and was indicted but later acquitted of fraud charges involving **Madison Guaranty**; allegedly diverted funds from **Madison** to the campaigns of powerful Arkansas politicians, including **Clinton** and current **Gov. Jim Guy Tucker**; claims that **Clinton** lobbied him to hire **Hillary Rodham Clinton**'s law firm to represent **Madison** because the Arkansas first family "was in need of financial help."

✔ **Susan McDougal** — wife of **James McDougal** and partner with the **Clintons** in **Whitewater**; defaulted on a $300,000 **Small Business Administration** loan (more than a third of the money went to **Whitewater**) that was limited by law to "socially disadvantaged" businesses.

✔ **David Hale** — former **Clinton**-appointed judge and owner of **Capital Management Services Inc.**, an investment company that issued questionable loans to **Susan McDougal** and **Jim Guy Tucker**; claims he was pressured by **Clinton** to approve illegal SBA loan.

✔ **Vincent Foster** — White House deputy counsel and former law partner of **Hillary Rodham Clinton** who committed suicide in a Washington-area park last July; sold the **Clintons**' share of **Whitewater**; handled the **Clintons**' tax returns, which failed to show a $69,000 loss they claim the project cost them.

✔ **Rose Law Firm** — Little Rock partnership that employed at one time **Hillary Rodham Clinton, Vincent Foster, Webster Hubbell** and **William Kennedy.** Represented **Madison** and later sued **Madison**'s accounting firm on behalf of FDIC, apparently without divulging to FDIC that it had once represented **Madison**.

✔ **Webster Hubbell**, former law partner with **Hillary Rodham Clinton** in **Rose Law Firm** and now top official in **Janet Reno**'s Justice Department; his father-in-law, **Seth Ward**, defaulted on $587,000 in loans from **Madison.**

✔ **William Kennedy** — White House counsel and former **Rose Law Firm** partner; refused to discuss giving immunity to **David Hale** for his testimony about SBA loan to **Susan McDougal.**

✔ **Bernard Nussbaum** — White House counsel who removed **Whitewater** files from **Vincent Foster**'s office before investigators could search it.

✔ **Beverly Bassett Schaffer** — Clinton-appointed regulator of Arkansas savings and loans after previously serving as **Madison**'s attorney at a Little Rock law firm that once employed **Bill Clinton.**

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WHITEWATER COVERUP WON'T WHITEWASH

At a nationally televised press conference on March 24, President Bill Clinton calmly insisted that neither he nor his wife Hillary had done anything wrong in their Whitewater real estate venture in partnership with James and Susan McDougal. McDougal was also head of the Madison Guaranty Savings and Loan empire that failed, costing taxpayers $50 million. After investigating the matter, the Resolution Trust Corporation recommended a criminal investigation. The President said smoothly that he had cooperated fully with Special Prosecutor Robert Fiske. In an ingratiating tactic reminiscent of candidate Richard Nixon's 1952 "Checkers" speech, Clinton mentioned borrowing money to enable his mother to buy a home. He admitted to having listed that loan payment, innocently but erroneously, as a Whitewater expense.

Clinton, who claims he lost money on the deal, also tried to downplay the importance of the investigation, insinuating that most people simply don't care about Whitewater. "I think what the American people are really upset about is the thought that this investment that we made 16 years ago that lost money that did not involve savings and loans might somehow divert us from doing the work of the country," he said.

But there is another version of the Whitewater affair, different from Clinton's disingenuous denials, which was presented on the floor of the House of Representatives that same day by Rep. James Leach (R-IA), who charged the President with "an arrogance of power" for stalling a complete inquiry into the scandal. "Whitewater may have begun as a legitimate real estate venture, but it came to be used to skim, directly or indirectly, federally insured deposits from an S&L, and a small-business investment corporation. When each failed, the U.S. taxpayer became obligated to pick up the tab," Leach charged, adding that "tax-payer funds were in all likelihood used to benefit the campaign of a former governor." Leach charged a cover-up.

RTC senior investigator L. Jean Lewis has sought federal whistleblower protection after refusing to change her position that the Whitewater-Madison connection was "a highly prosecutable case of check kiting" in which Bill and Hillary Clinton were involved. Lewis said she refused to provide "head people" with "politically correct answers to get them off the hook." Lewis, who says FBI and Justice Department officials have agreed with her conclusions, will testify before the federal grand jury convened in Little Rock by Fiske.

So will David Hale, the longtime Democrat insider and financial manipulator who was appointed to a Little Rock judgeship by then-Gov. Bill Clinton. Hale says that he was pressured by Clinton and McDougal to make an illegal loan to Susan McDougal, much of which eventually ended up in a Whitewater account. Hale is expected to detail an elaborate scheme designed to funnel federally-insured funds a group of political insiders, including Clinton.

Even Clinton's Left-liberal media fan club, faced with glaring inconsistencies in the Administration's ever-changing explanations and denials, have begun to express their doubts. "Whatever Whitewater and related matters might eventually be about (maybe nothing), it is now about candor. The Clintons — not the press and not some right-wing Daddy Warbucks — have made it that. The White House seems incapable of just coming out with it — the details, the facts, the bloody truth," wrote Richard Cohen of the Washington Post. "Bill and Hillary have played loose with the truth. If they were children, they'd be grounded."

An old folk proverb says simply, "Have no doubt, the truth will out." If, as the President and First Lady claim, they have done nothing wrong and have nothing to hide, they will eventually be exonerated. But if not, the American people have a right to know the truth. No amount of stalling and pious posturing is going to delay that inevitable moment of accountability forever.

Whitewater gets interesting

Cal Thomas

August is the month liberals and Democrats love to celebrate because it reminds them of Richard Nixon's resignation from the presidency 21 years ago. They hated Nixon then and still do. They love to remind us that he resigned in disgrace.

Nixon and his defenders often referred to the break-in at the Democratic National Committee headquarters at the Watergate Hotel as a "third-rate burglary." And, as most recall, it wasn't the break-in that led to Nixon's resignation. It was the cover-up.

In the matters collectively known as Whitewater, defenders of the current President assure the public that it is a minor affair. Small amounts of money were involved, we're told. The Clintons were passive investors, and no laws were broken. Third rate.

But as the House Banking Committee opened hearings on Whitewater, the fear among Democrats that something first rate might be discovered was evident in the rising intensity of their protesting voices and their attempts to ridicule Republicans and witnesses rather than get at the truth.

Jean Lewis, an investigator for the Resolution Trust Corporation testified about a "concerted effort" by the corporation, the Justice Department and the U.S. Attorney's office in Little Rock to "obstruct, hamper and manipulate" the inquiry into the bankrupt Madison Guaranty Savings and Loan.

Madison was owned by James McDougal, a partner with Bill and Hillary Clinton in Whitewater, the real estate misadventure on the White River in the Arkansas Ozarks.

Lewis also testified that she found that funds from the savings and loan had been illegally diverted to Clinton's campaign for governor and to the Whitewater project in the mid-1980s.

That someone considered Lewis and her potential testimony to be dangerous was evident from the three unauthorized searches of her offices and her suspension without explanation. She said one superior asked whether one of her conclusions — embarrassing to the Clintons — could be changed.

Susan Thomases, a friend of Hillary Rodham Clinton, testified before the Senate Whitewater hearings that she played no role in instructing presidential aides how to handle Vincent Foster's documents following his death in July 1993.

Former presidential lawyer Bernard Nussbaum has testified that Thomases may have relayed concerns from Mrs. Clinton about letting police have complete access to Foster's papers. Democrats and many in the media have taken the line that the Whitewater hearings are boring.

Not now, they aren't.

While Whitewater is difficult for many to understand because of mathematical and legal jargon (and because there is no Woodward and Bernstein team to ram the points home), character, honesty and integrity are things most people do understand.

When the public reached the judgment that Nixon had lost his, his presidency was effectively over.

Democrats are as desperate to keep the lid on Whitewater as Republicans were to keep the lid on Watergate.

They are trying to prevent the voters from rendering the same judgment about the current President and his wife as they did about Nixon 21 years ago.

Cal Thomas is a nationally syndicated columnist.

The Whitewater riddle: Why is Clinton stonewalling Congress?

WILLIAM P. CHESHIRE
Senior Editorial Columnist

Among the president's advantages in dealing with Whitewater is the sheer scope of the affair: Whitewater Investment, Madison Guaranty, the Rose Law Firm, the Foster suicide, the note without fingerprints, the shredded files, the Clintons' tangled tax returns.

Most of us wouldn't take the trouble to master all the intricacies of this maze even if we had access to the documents, which we don't.

But since nearly two-thirds of the public consider the story important, according to recent polls, it may be useful to raise a few basic questions.

1. Are the Republicans just trying to score points on the Democrats?

Partisanship is present, of course. Nevertheless, the "loyal opposition" has a responsibility to monitor the performance of the party in power, even as the Democrats did during Iran-contra and as the Republicans are doing now. That's how all the Western democracies operate.

2. Yes, but haven't the media blown the story out of proportion?

Recently they've been exerting themselves, probably to compensate for earlier lapses. Until Vincent Foster's suicide, they paid little attention to Whitewater.

Even then the press found Tonya Harding and Lorena Bobbitt more enticing. The Whitewater breakthrough was a *Washington Times* story about the White House staff ransacking Foster's office, lifting the Whitewater files and turning them over to the president's lawyer — a possible obstruction of justice.

Anytime a significant political story breaks in the struggling *Washington Times*, *The Washington Post* isn't doing its job.

3. OK, but is there any evidence of criminal misconduct?

If allegations constitute evidence, there is. But the most damaging allegations are uncorroborated.

David Hale, a municipal judge in Arkansas, says Clinton pressured him into making a fraudulent government-insured loan to Susan McDougal, a Whitewater partner of the Clintons. It isn't corroborated. At a 1985 Clinton fund-raiser, the names of Madison Guaranty depositors showed up on cashier's checks without their consent. This may have been illegal, but Clinton may not have known.

It's that kind of case.

4. Could we be looking at another Watergate scandal, with incriminating facts slowly dribbling out?

Perhaps, but most of the Whitewater events occurred in the 1980s and — rightly or wrongly — have been effectively inoculated by the 1992 election. Nixon's malfeasance occurred during his presidency. Besides, what destroyed Nixon were the Watergate tapes, which revealed a president who talked like a Mafia don and had similar ethics.

Barring the existence of "Whitewater tapes" or major felonies on the part of the Clintons — for which proof is lacking so far — the likelihood of another Watergate scandal is roughly zip.

5. In that case, shouldn't the idea of congressional hearings be dropped since all they'd accomplish would be to complicate the work of Robert Fiske, the special counsel?

Not unless it's assumed that the only objective is to unearth possible criminal misconduct and get convictions. That shouldn't be our main concern.

White House aides are being subpoenaed to testify. White House files are being impounded. Neither the president nor his wife can appear in public without facing a battery of questioners.

The White House is inevitably consumed by the necessities of Whitewater. Meanwhile, the public's business is on hold. For those who disapprove of the Clinton agenda, this may be good news, but it's no way to run the government.

Fiske is now sorting through the Whitewater complexities in preparation for reaching conclusive judgments; and though some phases of his investigation probably will be concluded sooner than others, it's significant that he has leased office space in Little Rock for three years.

Do we really want to put the country through three years of suspense and suspicion while Fiske's lawyers paw through thousands of documents? Congressional hearings may not be risk-free, even if witnesses aren't granted immunity. But at least they would bring this simmering scandal to a boil.

Unless the White House knows something the rest of us don't — a distinct possibility — it's hard to comprehend why it continues to stonewall the only available means of burying Whitewater quickly and for good.

If only John Mitchell had investigated the Watergate scandal

WILLIAM P. CHESHIRE
Senior Editorial Columnist

From his semi-cloistered retirement, patiently awaiting the only sure release from a lifetime of disgrace, Richard Nixon must reflect bitterly on the half-hearted response to Bill Clinton's purported skulduggery. If this had been the attitude in the 1970s, Nixon would have have gotten off scot-free — he and the rest of the Watergate culprits.

In those innocent days government officials suspected of criminal misconduct were not permitted to investigate themselves. Instead, special prosecutors were enlisted; and if the executive branch was involved, Congress swung into action, sweating out answers under the Kleig lights.

The media, too, did their job. Tipped that Nixon had engaged in sleazy back-seat romancing, no major newspaper would have slept on the story for two weeks, as the *Los Angeles Times* did with charges of more Bill Clinton infidelities.

All that has changed.

Concerned that a religious cult outside Waco, Texas, might be illegally armed, Attorney General Janet Reno orders in the tanks, and some 80 people die when the group's makeshift compound is pulverized.

Do heads roll? No. While the news media nap, the attorney general, declaring that "the buck stops with me," orders the Justice Department to investigate itself. Not surprisingly, the FBI, which supervised the Waco disaster, is congratulated on its "great professionalism" and the Justice Department is cleared.

When Nixon's klutzes were nabbed inside the Democratic Party's Watergate headquarters, Attorney General John Mitchell wasn't put on the case. A special prosecutor took over, and Mitchell went to prison. But faced with the callous slaughter of men, women and children, official Washington shrugs and covers up.

More recently the president himself has been implicated, along with his wife, in a string of escapades involving Clinton intimate James McDougal, McDougal's bankrupt savings and loan and the Whitewater Development Corp., half owned by the Clintons.

Clinton says he lost money on Whitewater, but so what? The question is not whether he made money, but whether he used his influence as governor of Arkansas to get an improper government-backed loan for McDougal's wife, $110,000 of which was plowed into Whitewater.

Struggling to pay off his campaign debts, Clinton also may have had McDougal steer business Hillary's way. "I asked him how much he needed," McDougal says, "and Clinton said, 'about $2,000 a month.' " McDougal says he obliged, putting Hillary's law firm on retainer for $2,000 a month, probably in violation of campaign-financing laws.

Then Clinton appointed a close friend, Beverly Bassett Schaffer, to head the State Securities Department, which supervised savings and loans. When Hillary proposed a dubious stock sale to shore up McDougal's S&L, Schaffer approved it. The S&L collapsed before the deal went through, costing the taxpayers $50 million.

There's more.

The lawyer Clinton entrusted with his file on Whitewater Development was White House counsel Vincent Foster, who committed suicide last July. Days before, Foster had conferred repeatedly by phone with James Lyons, a Clinton attorney hired to audit the investment. (Lyons' report omitted numerous damaging facts.)

When Foster turned up dead, White House counsel Bernard Nussbaum ransacked the dead man's office, seized the Whitewater files and turned them over to Clinton's personal attorney.

After prolonged dawdling — "stonewalling" it was called during Nixon's travails — Clinton ordered the files given to Janet Reno's sleuths, but not for another two weeks. We have only the lawyer's assurance that the files will not be sanitized.

Despite these shenanigans, the Clintons continue to get condolences from the press.

"We seem intent on driving anyone who's had a vaguely interesting life away from the public arena," weeps Joe Klein in the Jan. 3 issue of *Time*. "We risk a government of goody-goodies."

Whitewatergate, a term that is being carefully avoided, is no big deal, *The Economist* assures us. "What has emerged so far is a picture of a small state where everyone knows everyone, where favors are reciprocated."

All very tender, to be sure, but hardly the same rules by which the Watergate miscreants were run to ground.

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WILLIAM P. CHESHIRE
Senior Editorial Columnist

The trouble with ignoring Whitewater

Holding forth in *The Wall Street Journal* last week, Arthur Schlesinger Jr., the James Boswell of the Kennedy clan, took the American press to task for what he called its "extraordinary detour from the present urgencies of government."

What he meant to say was that the press, once seen as a necessary check against the insolence of office, ought to heed the timid counsel of Barry Goldwater and "get off the president's back" so that the cover-up can proceed without nettlesome diversions.

"Some reporters, one fears, are engaged in a quest for Pulitzer Prizes and Woodward-Bernstein notoriety," sniffed Schlesinger, who, let us not forget, copped the 1966 Pulitzer for his slavishly uncritical biography of President Kennedy, whom he had served as special assistant.

Schlesinger and Goldwater are scarcely the only voices urging the press to quit digging, forgive the president for whatever he's done, and let Bill and Hillary get back to wrecking the country.

"What in the world does this have to do with anything?" harrumphs an incurious Jack Germond, deriding Whitewater questions on *The McLaughlin Group*. "This is getting ridiculous," chirps *The New Republic*'s Michael Kinsley of a possible obstruction of justice by the White House staff. "Cool it," urges Richard Harwood of *The Washington Post*. The press "jumped the gun," says NPR's Daniel Schorr, Watergate terrier turned pekingese.

Little interest or enterprise

Far from being on the president's back, most of the press has covered Whitewater and associated oddities with great reluctance, little energy and less enterprise.

A major Clinton scandal, Troopergate, broke in *The American Spectator* because a reluctant *Los Angeles Times*, instead of going after a Pulitzer Prize, sat on the story for a month.

The suspicious rifling of the late Vincent Foster's White House files and the timely shredding of his memoranda at the Rose Law Firm — stories passed over in a town crawling with usually inquisitive reporters — first came to light in the tatterdemalion *Washington Times*.

White House aides spent hours readying the president for his prime-time Whitewater inoculator on March 24, reports *New Republic* senior editor Fred Barnes, only to be "surprised at how mushy and respectful the questions were."

Having watched with astonishment as London newspapers repeatedly broke Clinton stories disdained by the watchdogs of the American media — stories involving alleged sexual harassment and attempts to intimidate witnesses — the London *Economist* was reminded of nothing so much as the "conspiracy of silence among Britain's press barons" that kept Edward VIII's love affair with Wally Simpson out of the papers until the week before the abdication of the king.

Exceptions to the rule

There's no conspiracy of America's press barons, but it's hard to see how the dominant media culture would be altered significantly even if there were.

The principal exceptions to the media's lack of Whitewater zeal have not been aggressive news departments, but the editorial pages of *The Wall Street Journal* and *The New York Times*. The *Journal* more than once has broken stories that "Pulitzer chasers" had left untouched. Editorials in the liberal *Times*, meanwhile, have deplored the stalls and deceits of an administration that, in the words of an incredulous Professor Schlesinger, "the *Times* generally supports."

What flabbergasts such partisans is that the *Times*'s refusal to keep quiet shoots holes in the administration's most effective defense. The *Times* hasn't criticized the president because it's Republican, which it isn't, but because its suspicions have been aroused by the administration's relentless stonewalling and deception.

It's true that some of the charges go back 15 years and, as a practical matter, are of marginal consequence. But others involve recent occurrences — peculiar inconsistencies in the record, possible obstructions of justice — and can't be so easily dismissed. In the circumstances, as the *Times* remarked last week, "it is impossible to make any responsible [illegible] looking the other way."

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The Whitewater stonewall, cont'd.

The Democratic leadership on Capitol Hill has done an exemplary job of keeping the institution it controls from addressing the Whitewater scandal. A case in point is the Senate agreement to hold strictly limited hearings into the land deals involving the first couple that may have contributed to the failure of the federally insured Madison Guaranty Savings and Loan. The juiciest bits of the story are going to be strictly off-limits when the hearings start at the end of July, under rules drafted by Senate majority leader George Mitchell..

Under Mr. Mitchell's rules, the Banking Committee would be allowed to investigate only three closely circumscribed aspects of the Whitewater affair: 1) the Park Police's shaky investigation into the death of Vincent Foster; 2) the subsequent raiding of Whitewater documents from Mr. Foster's office by White House officials; and 3) conversations about Whitewater — including discussions of the possibility of a criminal referral in the case — among officials in the White House, the Treasury Department and the Resolution Trust Corporation (RTC).

The House is set to hold similarly limited hearings, though in fact the president's main protector, House Banking Committee Chairman Henry B. Gonzalez, wants to draw the cordon even tighter around the probe — by removing the issue of Mr. Foster's death and the Park Police's handling of its investigation. "No congressional committee is in any way capable of acting as coroner or homicide investigator, even if there were some legislative purpose to be served in pursuing this issue," Mr. Gonzalez wrote in a memo to House Speaker Tom Foley. "I would urge that this subject be deleted, on the ground it lacks legitimate purpose, the Congress is ill-equipped to undertake the task, and any congressional review would inevitably be criticized rightfully as inexpert."

Ah, if only lawmakers would take Mr. Gonzalez' concern fully to heart: Were lack of expertise a limit on congressional activity, the Hill would be a most serene environment. The great advantage to Democrats in the House and Senate in so limiting hearings is that the events being studied are already largely known to the public. New revelations that would buffet the Clinton administration are unlikely, and those who would be embarrassed by the hearings, such as former White House legal counsel Bernard Nussbaum, have already been embarrassed to the point of being pressured out of office.

Although limited to events that have taken place during the Clinton administration, the Republican proposal for hearings included crucial language taken directly from the Senate's Iran-Contra resolution, language that would allow Senators to gather any information relevant to resolving the issues under investigation.

Republicans in the Senate had tried to scuttle the sham hearings, calling for a full expose of the Clintons' Arkansas business dealings instead. That left Republicans in the unenviable position of filibustering a proposal to set up Whitewater hearings. And so after some flailing about, the minority agreed to the Mitchell hearings — on the condition that their own proposal for a more far-reaching investigation at least be voted upon.

That vote took place on June 21, and the Republicans lost 54-44.The Dole/D'Amato resolution would not have opened up the entire Clinton business history to public scrutiny, but it would at least have widened the scope of the Senate hearings to include an investigation into the RTC's handling of its investigator's criminal probe of Madison Guaranty, and a review of why the U.S. attorney in Arkansas, an FOB named Paula Casey, did not recuse herself from the Whitewater case until after she had made the crucial decision not to pursue criminal charges. Even though limited to events that have taken place during the Clinton administration, the Republican proposal for hearings included crucial language taken directly from the Senate's Iran-Contra resolution, language that would allow Senators to gather any information relevant to resolving the issues under investigation. In other words, the majority would be unable to stop Republicans from delving in public into the Clinton's seamy business dealings because understanding the actual deals would be crucial in evaluating the way the RTC handled its investigation into Gov.

This is why the Republican proposal is almost sure to be defeated: Such disclosure is the last thing that the powers on the Hill want to see. But as this goes on, the nakedness of the Democrats' application of political muscle is going to be increasingly apparent. "I covered up for Bill Clinton" — that's quite the campaign slogan.

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REED IRVINE/JOE GOULDEN

Turning a blind eye to Whitewater woes

On June 16, two days after the Senate, in a party-line vote, had imposed strict limits on its proposed investigation of Whitewater, The Washington Post said the public appeared to be paying little if any attention to the battle in Congress on this issue. What chutzpah! The Post, along with nearly all the media, has been derelict in telling the public how the Democratic majority in Congress has been stalling a comprehensive congressional investigation of the scandals.

The same media that bellowed for congressional hearings and special prosecutors throughout the Reagan-Bush era fell mute when faced by the prospect of President Clinton's chums having to go before klieg lights to answer questions.

Last Dec. 21, Sen. Alfonse D'Amato, New York Republican, asked Sen. Don Riegle, Michigan Democrat, to hold hearings before his Senate Banking Committee. Mr. Riegle declined, saying the Justice Department was looking into various Whitewater matters. Chairman Henry Gonzalez, Texas Democrat, used the same excuse to prevent House Banking Committee hearings. The White House was strongly opposing appointment of a special counsel.

But in early January, Sen. Patrick Daniel Moynihan, New York Democrat, said on NBC's "Meet the Press" that the attorney general should appoint a special counsel. Other Democratic senators joined him in pressuring Mr. Clinton, and on Jan. 12, Robert B. Fiske Jr. was given the job. That did not quell demands for a congressional investigation. Republicans pointed out that during the Reagan-Bush years congressional committees conducted 27 investigations relating to the president, his officials and his relatives. Many of these probes were held concurrently with investigations by independent prosecutors.

The White House turned to Majority Leader George Mitchell for damage control. Mr. Mitchell's first tactic was delay. Arguing that the Senate should not interfere with Mr. Fiske's work, and knowing that he commanded enough Democrat votes to prevent hearings, Mr. Mitchell bludgeoned Republicans into accepting a stop-gap resolution promising eventual hearings on "all matters relating to Madison Guaranty Savings & Loan Association, Whitewater Development Corp., and Capital Management Services Inc." These firms are at the core of the Whitewater story.

This was on March 16, and the GOP trusted Mr. Mitchell to start meaningful hearings during the current session of Congress. When it became clear that Mr. Mitchell was dragging his feet, the Republicans began offering amendments to an airport improvements bill that was up for a vote in the Senate on June 12. These amendments authorized the Senate Banking Committee to investigate 17 areas related to the scandals known as Whitewater, including Hillary Clinton's remarkable earnings in the commodity market.

Three days after the vote, both the New York Times and the Wall Street Journal ran stinging editorials charging coverup by the Democrats.

Mr. Mitchell countered with an amendment that would confine the hearings to three areas: 1) communications between the White House, the Treasury Department and the Resolution Trust Corp. related to Whitewater and Madison Guaranty; 2) the Park Police investigation into the death of White House deputy counsel Vincent Foster; and 3) the way in which White House officials handled documents found in Mr. Foster's office. Mr. Mitchell's amendment also denied the Republicans the power to subpoena witnesses.

Angry Republican senator after senator took the floor on June 12 and 14 to denounce Mr. Mitchell's proposal as a sham designed to block any genuine probe, accusing the Democrats of acting in bad faith. Sen. Lauch Faircloth of North Carolina pointed out that under Mr. Mitchell's restrictions, the committee would not even be able to look into charges that an Arkansas bank regulator who was a Clinton "political crony" had bowed to pressure not to shut down the bankrupt Madison Savings & Loan, owned by Mr. Clinton's partners in the Whitewater Development Corp. the delay had cost the taxpayers millions of dollars.

Mr. Mitchell's coverup amendment was approved by a party-line vote on June 14. There was no immediate eruption of public outrage. Most of the public had no idea what had happened. Not one of the Big Three TV networks ran a single word about the Democratic coverup and the heated debate it engendered.

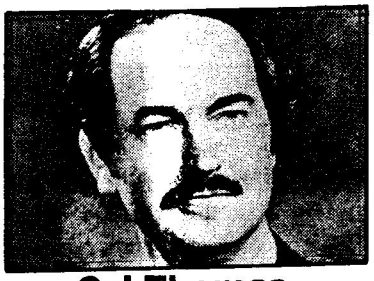
The Washington Post covered the coverup in a 200-word wire service story at the bottom of page 4 under this headline: "Senate Approves Narrowly Focused Whitewater Inquiry." The New York Times placed the story back on page 22 under the innocuous headline "Senate Will Hold Hearings on Whitewater." The L.A. Times buried it even deeper, omitting it from its national edition entirely.

Outrage was no doubt felt by many of those who watched the debate on C-SPAN, saw it discussed on "The Other Side of the Story" on National Empowerment Television (NET) or read about it on the front page of The Washington Times. That didn't add up to a large enough audience to intimidate the Democrats. But the Democrats are not yet out of the woods on this one. Three days after the vote, both the New York Times and the Wall Street Journal ran stinging editorials charging coverup by the Democrats. If the Republicans keep offering their amendments, they may succeed in breaking the media blackout and embarrass enough senators up for reelection to win approval of a genuine investigation.

Reed Irvine is chairman of Accuracy in Media. Joe Goulden is AIM's director of media analysis.

FOIA # none (URTS 16371) DocId: 7010575 Page 2

White House must address alleged drug, security problems



Cal Thomas

There was some interesting testimony Monday before a Senate appropriations subcommittee looking into drug testing. The director of the White House Office of Administration, Patsy Thomasson — who, with Hillary Rodham Clinton, picked many of the senior people in the administration — admitted under sharp questioning by Sen. Richard Shelby, R-Ala., that 11 White House staff members have been enrolled in a special random drug-testing program because of concerns about "recent drug use." She had previously mentioned the figure in a written response to the inquiries of Rep. Frank Wolf, R-Va., but this was the first time details were mentioned at a public hearing.

Thomasson did not elaborate on what she meant by recent drug use. And she revealed that volunteers without adequate security clearances have been given access to sensitive areas in both the East and West Wings of the White House.

Who are these volunteers? One can only speculate. It's safe to say they aren't from the traditional values-promoting Family Research Council.

Such access contradicts testimony Thomasson gave to the subcommittee last year. At that time, she denied that any volunteers had access to the West Wing where the Oval Office is located.

Under the White House's color-coded security system, blue passes allow access to both the president's and vice president's offices. Now Thomasson has acknowledged that some blue passes had been issued to volunteers.

Even those with short-term memories may recall that last December, while Newt Gingrich was the Speaker-in-waiting, he suggested that the reason so many people working in the White House had delayed getting their official access passes was because they had used illegal drugs. For such persons to submit to the background checks required of all pass applicants would have meant divulging that drug use, possible denial of a security clearance and the passes, and bad publicity for the administration. So they were given temporary passes instead.

Gingrich quoted a "senior law-enforcement official" as saying that up to 25 percent of White House staff members had used drugs as recently as within "four or five years" of joining the Clinton staff.

The media and the Democrats outbid each other in outrage. Editorials spoke of character assassination and worse. White House Chief of Staff Leon Panetta said of Gingrich, "His charges are absolutely false. There is no one in the White House who uses drugs. If Newt Gingrich has evidence to the contrary, he ought to tell me about it, he ought to make it public, and I'll fire them."

Does being enrolled in the random drug-testing program because of recent drug use meet Panetta's test? One eagerly waits to see if heads will roll.

When Rep. Wolf raised questions about the delay in finishing security clearances for all White House staffers, the administration stonewalled. Wolf's investigation of some staff members uncovered cases of past drug use and drug convictions, years of unpaid taxes, unpaid debts and financial irregularities. All of these could have been grounds for denial by the Secret Service of a permanent pass.

The right pass allows the holder full access to the White House, including the president and vice president and any papers one might see lying around. Such access ought not to be provided to "volunteers" who have not received the proper clearances. Neither should it be granted to people who have not cleared the usual FBI background checks.

Wolf's office requested a General Accounting Office investigation into the pass matter last year. It is ongoing. A congressional source, who wishes to remain anonymous, says the investigation was hampered because of the "slow and painful response of the White House." Things picked up, the source says, after the November election, and White House compliance is said to have improved.

How many White House staffers who ought to have permanent passes still don't have them, and why not? What's holding up their clearances? Have they submitted the required paperwork? These and other questions should be answered immediately.

Cal Thomas is a nationally syn-

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CRIME
AGAINST YOU MUST STOP!

"Poverty does not cause crime. Many poor people lead honest, decent and happy lives. Lack of advantages does not cause crime. Many good people do not use this phony excuse to attack and hurt others.

"Crime is caused by individual choice of evil over good. A criminal is responsible for his own choice. He despises moral and spiritual values. Protect yourself!

how Me' Some Honesty

st year. Democrat Secretary of ate Judith Moriarty became the st statewide official in Missouri tory to be impeached after violat- state election laws and tamper- with state documents so her son ild run for office.

This year, Bekki Cook, whom mocrat Gov. Mel Carnahan ose to replace Moriarty, kept the ing period open in the House akership election an unprece- ted three hours, allowing House aker Bob Griffin to fend off an mpted coup by Republicans disaffected Democrats.

Fear the government that fears your guns. The right of citizens to keep and bear arms is just one more guarantee against arbitrary government, one more safeguard against tyranny which now appears remote in America, but which historically has proved to be always possible.

Not the NRA, not Rush Limbaugh, but that great liberal, Mr. Democrat, the Happy Warrior, Hubert H. Humphrey.

Hyperkinetic UN. The *New York Time* has documented an alarming increase i UN activities throughout the worl since 1988. For example, the number o UN security resolutions passed during a one-year period has increased 520 per- cent from 15 to 78. The number o current peacekeeping missions has in- creased 340 percent from five to 17. The total number of military personnel de- ployed under UN auspices has increased 766 percent from 9,570 to 73,393. And, incredibly, the United Nations budget for peacekeeping activities has in- creased 1,570 percent from $230 mil- lion in 1988 to $3.6 billion in 1994. ■

★ Which White House appointees have allegedly committed criminal acts that could land them in jail? You need a scorecard with the Clinton bunch.

★ Speaking of which, we'll keep track of the impending indictments of Clinton officials--and Hillary herself?-- week to week.

★ New Congressional investigation of Clinton that could make Whitewater look like jaywalking.

★ The devastating video on White House counsel/Clinton pal Vince Foster's alleged suicide. Look for our summary of this and other findings.

★ Drug smuggling in Arkansas under Clinton? Former Reagan administration official suggests the Governor is involved, backs it with just the facts--a ton of them.

★ More than a thousand IRS employees under investigation for spying on a neighbor's tax returns(yours among them?)

★ Clinton stays at his Boston hotel an extra two hours, to take a second shower. The take? (Do the media?)

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'Ethics president' takes over

CAL THOMAS
Los Angeles Times Syndicate

The newly inaugurated president of the United States, William Jefferson Clinton, has indicated he wants to be known as the "ethics president." Since George Bush was considered by many not to have lived up to his chosen titles of education and environment president, it is fair to hold Mr. Clinton accountable to the standard he has chosen.

No president can police the behavior of every member of his administration, but enough is known about the background of those Mr. Clinton has chosen for top positions to discern his initial seriousness in maintaining the ethics standard.

Mr. Clinton has drawn up the toughest code of ethics of any president. This is necessary in the modern age when so many have substituted amoral greed for the immutable, God-given values that were taught in school before such instruction was declared unconstitutional. Now ethics must be drummed into adults who have become used to changing their ethics as they go through life, according to the style and requirements of the times.

How else can we understand the actions and explanations of then-Attorney General-designate Zoe Baird and her husband over the hiring of two illegal immigrants from Peru and their failure to pay Social Security taxes as required by law? Ms. Baird complained of having received bad legal advice. This is like Michael Jordan explaining a rare low-scoring game by saying he was following the advice of a fan.

One of Ms. Baird's defenders was quoted as saying that the then-appointee and her husband simply reflect a problem shared by millions of Americans who have difficulty finding quality, "affordable" child care and domestic help. But Ms. Baird and her husband had a combined income of more than $600,000 last year. They could have afforded to keep things legal. Yet they violated the law. At least Ms. Baird won't be sworn in since she withdrew her nomination.

Then there's Ron Brown, who gained fortune as a highly successful lobbyist and fame as chairman of the Democratic National Committee. Mr. Brown canceled a party where the punch was to be spiked by corporate contributions from fat cats seeking Mr. Brown's favor as Commerce Secretary.

And what about Lloyd Bentsen, secretary of the Treasury-designate, who once tried to charge corporate bigwigs $1,000 a plate to have breakfast with him when he was chairman of the Senate Banking Committee? *The New York Times* reports that Mr. Bentsen was invited by a Texas savings and loan operator to buy stock in a new company. Mr. Bentsen, the newspaper says, met with federal regulators on the businessman's behalf four months before he bought the stock.

Mr. Bentsen's investment of $100,000 grew to at least $600,000 three years later. The stock was in a company that federal regulators later found had been created largely with a subsidy from the businessman's failing savings and loan. The arrangement helped a small group of invited investors to make big profits.

With the exception of Rep. Newt Gingrich (R-Ga.), Republicans are doing a poor job of holding Clinton nominees accountable to the ethical standards of the new president. Newspapers friendly to Mr. Clinton during the campaign are doing the work of the GOP, which for 12 years has been on the receiving end of allegations over ethical violations.

Recall that Judge Douglas Ginsburg never made it to the Supreme Court because he smoked marijuana with his Harvard students.

The ethics of Robert Bork and Clarence Thomas were debated during those men's confirmation hearings. Oliver North's purchase of a security gate for his home with money from the Iran-*contra* arms sales was alleged to have been an illegal gratuity. Ethics violations surrounding Reagan HUD Secretary Samuel Pierce are an ongoing concern.

John Tower was denied a post as secretary of Defense because of allegations of "womanizing" and drinking.

Richard Allen was forced out as Ronald Reagan's National Security Council chairman because he accepted $1,000 from a Japanese magazine that wanted to interview Nancy Reagan. Mr. Allen said he put the cash in a safe and forgot about it. He was cleared of wrongdoing.

Anne Gorsuch Burford and her assistant, Rita Lavelle, resigned from the Environmental Protection Agency in the toxic waste dump scandals of 1983. Ms. Lavelle was later convicted of perjury and obstruction of justice.

Deputy Defense Secretary Paul Thayer resigned one day before the Securities and Exchange Commission charged him with passing to friends inside trading information from which they made $3 million in profit. Mr. Thayer later pleaded guilty to obstruction of justice and spent 19 months in prison.

Fairness demands that the same standards used by Democrats against Republican administrations now be applied to Democrats in power. The recent revelations about Ms. Baird, Messrs. Brown and Bentsen came before Mr. Clinton took the oath of office. It sounds as if it could be a busy four years for the ethics police.

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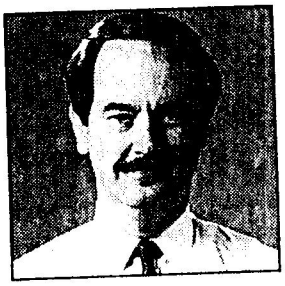
Have ethical rules changed for Clinton?



CAL THOMAS

Los Angeles Times Syndicate

President Clinton has criticized what he calls a media "presumption" of guilt over the Whitewater affair that requires him to prove his innocence. Have ethical standards changed in the Democratic Party since Clinton became president?

Democrats made political hay in the campaign of 1992 when they railed against perceived and actual Republican ethical lapses. They even dismissed an entire decade as "greedy" because people made money, though even the poor had more money at the end of the decade than at the beginning.

The Clintons especially moralized in the manner of the '60s flower children: They were better than Republicans because their motives were pure. When it was revealed that they, or at least Mrs. Clinton, probably made a big profit during the greed decade by trading in cattle futures with the help of a man whose chicken industry was subject to regulation by then-Gov. Clinton and that they apparently did their best to keep from paying their "fair share" in taxes, critics are called petty and vindictive. Besides, say the president and his defenders, the Clintons haven't been charged with a crime or indicted.

Is this the standard that should be applied to the Clintons and their associates? It wasn't the standard Democrats used in 1985. Nine years ago, during Senate proceedings to determine whether he should be confirmed as attorney general, Edwin Meese was presumed guilty of ethical lapses by Democrats.

Then-Senate Minority Leader George Mitchell opined, "The erosion of the principle of high standards for office has now reached the point where the principal argument in behalf of the nominee . . . is that he has not committed an action for which he can be indicted."

Later, Mitchell lamented that our institutions had been challenged "by those who brought lesser standards in political life. And after we began to understand to what degree their morals had corrupted and weakened our public institutions, we insisted upon a more demanding standard."

Apparently such a "demanding standard" is to be applied only during Republican administrations. Now that one of their own is in the White House, congressional Democrats have dragged their feet on holding the president to such exacting behavior.

Mitchell also demanded that the Attorney General must be "clearly free from any suspicion of conflicts or inappropriate actions." More so for a president, one would think.

Sen. Howard Metzenbaum (D-Ohio) noted at the time that although the Office of Government Ethics said that Meese's conduct was right, that wasn't enough. One must look at the "appearance of impropriety." Imagine if such a standard was applied to Bill and Hillary Clinton, who now seem to reek from past questionable actions.

Sen. Robert Byrd (D-W.Va.) lamented "a diminution — an erosion — within our government of the standards of public service, of selflessness among our elected or appointed officials . . . We must be troubled by circumstances where public office is used to any degree in order to obtain private gain for an official or for an official's family, friends or professional associates."

That would seem to cover most of Whitewater, but so far Sen. Byrd has not made the connection.

Sen. Byrd quoted from Executive Order 11222, "Prescribing Standards of Ethical Conduct for Government Officers and Employees," in effect since 1965, that prohibits actions "which might result in, or create the appearance of . . . using public office for private gain . . . giving preferential treatment to any organization or person . . . or affecting adversely the confidence of the public in the integrity of the government."

Sen. Joseph Biden (D-Del.) told Ed Meese his concern "relates to a higher standard than you have demonstrated to me in your responses that you are not willing to step up to, even though you're ethical and even though you have not violated any law — inadvertently or advertently."

Shouldn't the standard applied during a Republican administration be identical to the one applied for President and Mrs. Clinton? It's only fair.

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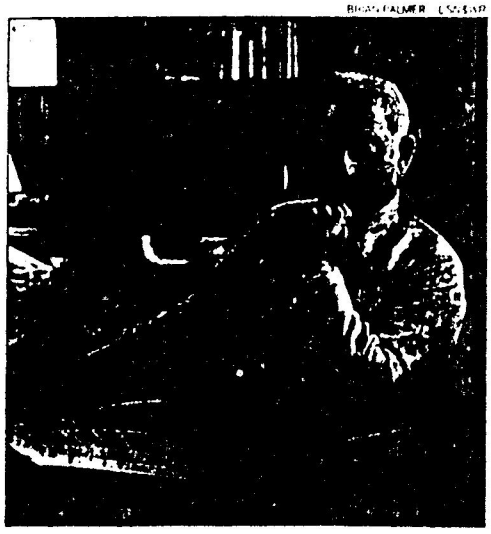
BY GLORIA BORGER

Double standards in Clintonland

It is a sorry state of affairs that it took Sen. Alfonse D'Amato, no card-carrying member of the ethics police, to smell the trouble before the press: Why was Roger Altman, acting head of the government agency investigating the Whitewater mess, giving three top White House officials a "heads up" on the inquiry? Next we learned that there were other, similar sessions. At the very least, some common-sense legal advice should have nixed these meetings. When it was all over, White House Chief of Staff Mack McLarty sent a belated internal memo reminding senior officials of the law; maybe he passed it along to Bernard Nussbaum, the president's ethics cop with a lousy track record, who was in on these discussions. Republicans wanted Altman's scalp. They always knew Nussbaum's departure was a good idea, but after all, they didn't want to solve too many problems for the White House.

What's missing from this picture? Where are those vocal Democrats who habitually summoned enough outrage to convene hearings about the possible misconduct of a former assistant housing secretary in 1989 or the dire misuse of gift funds by the ambassador to Switzerland in 1988? Aren't these questionable Whitewater meetings serious enough to raise some eyebrows, even though Republicans no longer run the executive branch?

Of course they are. But only a few Democrats are brave enough to admit it – and congressional oversight has become an oxymoron. Democratic leaders instead have chosen to put the kibosh on righteous indignation; they are deeper into damage control. That explains why House banking chairman Henry Gonzalez – who demonized presidential son Neil Bush as a player in an S&L scandal – wants no part of investigating this first couple's ties to Madison Guaranty.



Nussbaum. *Ethics cop with a lousy record*

Democrats hit GOP scandals hard; why are they silent now?

Silent watchdogs. Conspicuously quiet, too, are the resident Washington white hats, the nonprofit government watchdogs. Some are too busy lobbying for campaign reform to risk making enemies in the White House. There is, admits Charles Lewis of the Center for Public Integrity, a "quiet, unstated thinking that some may not like what the White House is doing, but they're better than the [GOP] alternative." The result is what Lewis calls "a complete, deafening silence" from the usual rabble-rousers. But the press, thriving somewhere down the food chain, takes its cues from the people who honk. And so a double standard emerges, clear as white water: If the Republicans had acted like this, the bad press would have come sooner.

There is no shortage of examples. New presidents are expected at the outset to establish blind trusts for their finances to avoid even the appearance of conflict of interest; Bill Clinton's wasn't created until July 1993, six months after he took office and three days after Vincent Foster's death. The long delay was not high-profile news. Neither was the revelation of Hillary Rodham Clinton's $100,000 stake in an investment group that, at the end of 1992, had nearly 14 percent of its money in health care stocks. The group had "short" positions in certain health care companies, betting that their prices would decline; it bet right, particularly since Mrs. Clinton's own health care task force was pushing price controls that could hurt those businesses.

No one says the first lady was out to make a killing. Rather, the issue is that the potential conflict should have been handled sooner. The White House said there was no problem because Mrs. Clinton was not a government employee. But when called upon to defend her closed health reform meetings, it turned around to argue she *was* a government employee. Again, no huge headlines. But recall the front-page stink when it was learned that Secretary of State James Baker owned substantial stock in Chemical Bank, which lends money to Third World nations. The investment was in a blind trust, but all the heat forced Baker to immediately – and appropriately – sell the stock.

Republican Rep. Frank Wolf of Virginia has taken to corresponding with McLarty to air another ethical gripe: Why does a group of the president's outside advisers have seemingly permanent "temporary" White House passes? Wolf argues that the political strategists have the best of both worlds, keeping private-sector salaries with top public-sector access – and no formal disclosure rules. "What outside group wouldn't mind 'paying' an employee to go 'volunteer' at the White House?" he asks in a letter. Strategists Paul Begala and Mandy Grunwald say they do no lobbying, their clients are political and the list is no secret. "We have met a higher ethical standard" than previous GOP strategists, says Grunwald. The problem, though, is that the public is left relying on their good intentions.

It's not that this White House has been silent on setting standards. There is, for instance, a five-year rule preventing certain top officials from lobbying their former agencies – a ban that arguably works to keep qualified candidates from entering government service. And during his first session with senior White House staff, the president called for an administration "dominated by high standards and clear vision, and we ought to have a good time doing it." Trouble is, they don't even look like they're having a good time. ■

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Scandal Story Growing

Joseph Sobran

WASHINGTON — Not even Steven Spielberg could make an engrossing movie about technically improper real estate deals among bankers, lawyers and politicians. To sell it as a movie you'd have to throw in a mugging, a few menacing phone calls, a rubout and a mysterious apparent suicide.

You could get the impression that Hollywood has taken over Whitewater. The story was a critical success, but it was doing poorly at the box office until the new script writers were called in. Now it has had an injection of violence that is sure to catch the attention of those who were dozing at the subtleties.

Most of the violence is old hat. But it was strewn about so widely that few people suspected that the incidents were connected.

First an old Clinton mistress named Sally Perdue said she'd gotten a phone call from a Democratic Party hack in Arkansas threatening to disfigure her "pretty little legs" if she kept talking publicly about the amour. But the hack denied it, and it was her word against his in a matter that might have unfairly tainted the president of the United States if given undue attention without more proof. So most of the media ignored it.

In July the Clintons' friend and lawyer Vincent Foster left his White House office early one afternoon and his body was found that evening in a Virginia park. It was ruled a suicide. Few questioned that finding at the time; curiously, Mr. Clinton himself said he didn't think an investigation would uncover anything.

Then, last September, a Little Rock private eye named Jerry Parks was gunned down. Just before his death, which he'd tried to anticipate, his voluminous files on Bill Clinton's amorous life were taken from his house during a break-in. But again, the connection between his death and IRS interest in Mr. Clinton was too tenuous to build anything on.

Two other Clinton acquaintances, one of whom was about to give an interview to a British reporter, have recently died in separate small plane crashes. Well, accidents will happen.

Now a journalist named L.J. Davis, who has done a major piece on Whitewater for *The New Republic*, says that while working on the story he was knocked cold as he was going into his Little Rock hotel room. When he awoke several hours later, he found missing only some of his notes for the story. None of his money was taken. He adds that he received a menacing anonymous call three weeks later; the caller alluded both to his story and to the attack.

The tale of Mr. Davis, if true, tells us several things. Someone seems to be working hard on Mr. Clinton's behalf, with or without his knowledge and permission. The same someone, by hitting a member of the large press corps that is working on the Whitewater scandals, is showing the audacity of true desperation: If they'll resort to such high-risk crime in order to cover something up, that something must be explosive indeed.

Furthermore, if Mr. Davis' account is true, it suggests that the earliest incidents (and others that space precludes mentioning here) may be related to each other. This strengthens the suspicion that Vincent Foster was murdered.

Does all this have anything to do with why the Clintons are so eager to belittle the Whitewater story, to smear critics, to shred documents? One element that isn't helping them is their moralizing hypocrisy. Bill and Hillary are liberalism's answer to Jim and Tammy Faye Bakker, with the little woman complaining that bad people are trying to destroy her husband's ministry.

Whitewater didn't look like much of a scandal two months ago, but even Watergate began with a seemingly small incident. For a long time the break-in at the Watergate Hotel was referred to as "the Watergate caper." But that turned out to be a thread that led to more serious crimes, though murder was not among them.

Even without a murder, Watergate eventuated in a movie, "All the President's Men." Whitewater already has huge cinematic qualities.

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The story the media won't touch

WILLIAM P. CHESHIRE
Senior Editorial Columnist

While the American media have been panting after Lorena Bobbitt and Tonya Harding, British journalists have targeted bigger game: Bill Clinton and the harem of bimbos whose periodic eruptions fail in this country to hold the interest of the usually salacious-minded press.

London's *Sunday Telegraph*, a reputable paper, recently interviewed at length Sally Perdue, a former Miss Arkansas whose hair-raising allegations make the memoirs of Gennifer Flowers seem like Uncle Wiggly.

State police would drop then-Gov. Clinton at her apartment, Perdue told the newspaper's Ambrose Evans-Pritchard, and wait nearby to pick him up — the by-now-familiar tomcatting routine.

What's sinister are alleged attempts to silence Perdue during the presidential campaign. On Aug. 19, 1992, she says, a man named Ron Tucker, purporting to represent the Democratic Party, met with her for three and a half hours in Clayton, Mo., alternately cajoling and threatening.

"He said that there were people in high places who were anxious about me and they wanted me to know that keeping my mouth shut would be worthwhile," Evans-Pritchard quotes her as saying. "If I was a good little girl and didn't kill the messenger, I'd be set for life: a federal job, nothing fancy, but a regular paycheck, level 11 or 12 (about $60,000 a year). I'd never have to worry again.

Life wouldn't be fun

"But if I didn't take the offer, then they knew that I went jogging by myself and he couldn't guarantee what would happen to my pretty little legs. Things just wouldn't be so much fun for me anymore. Life would get hard."

Unknown to Tucker, Perdue says, a friend of hers was sitting within earshot and reported the conversation to the FBI. "An FBI official in St. Louis refused to comment on what he described as an 'ongoing investigation,' " reports Evans-Pritchard.

Tucker's former employer says he overheard Tucker, then a minor functionary in the Democratic Party, mention the threat over the telephone at work and confronted him. "Ron Tucker told me," says John Newcomb, "that somebody from the Democratic Party in St. Louis had asked him through a friend to get to this woman and get her to shut up."

When she refused to cooperate, Perdue says, her life, as predicted, got worse. Among other irritations, she lost her job at Lindenwood College. "A Missouri lawyer, Paul Ground, told *The Sunday Telegraph* a college official had admitted to him that she had been fired because of outside pressure," says Evans-Pritchard.

Full story not told

Perdue's allegations of threat and punishment have received scant attention in the United States. An Atlanta TV station talked to her, but the interview never aired. She sometimes makes the bimbo lists, but there have been no follow-ups.

"I've had it with the American press," Perdue says. "I think it's going to take a foreign paper to bring this whole thing out, because the powers here are so strong. You know, they've protected Bill Clinton in a way they've never protected anybody in the history of America."

Whether Perdue is telling the truth, I have no way of knowing. She's an ardent Republican — wouldn't you be? — and I'm advised by a well-informed source in Arkansas that she's a trifle eccentric. Weighing one thing with another, I'd incline toward disbelief except for the corroborating witnesses and earlier indications that friends of Bill sometimes play rough.

Arkansas lawyer Gary Johnson, reports Evans-Pritchard, bragged in a bar about having a videotape of Clinton visiting his neighbor, Gennifer Flowers. Soon thereafter three men showed up on his doorstep, beat him savagely — his bladder was perforated and his spleen had to be removed — and took the tapes, Johnson says.

Shortly before *The American Spectator* broke the trooper-bimbo story last month, its offices were burglarized three times — the only burglaries in 26 years of publishing. (Remember Watergate?)

Like the media's lack of curiosity, this may be only part of life's rich tapestry. But I'd feel better if my colleagues in this business would let us know if the president is being unfairly defamed — and if he's not.

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WILLIAM P. CHESHIRE
Senior Editorial Columnist

Questions, answers on Paula Jones

Paula Jones, who has filed a sexual harassment suit against President Bill Clinton, declines to be interviewed by the press. What follows are some of the questions raised by her suit, along with answers based on the facts as they are known.

Q: The alleged harassment took place when Clinton was governor of Arkansas. If this woman is telling the truth, why did she wait so long to tell it?

A: Jones allegedly was escorted to Clinton's hotel room by an Arkansas State Trooper, Danny Ferguson, who told his story to David Brock of *The American Spectator*, mentioning only her first name. "The trooper said Paula told him she was available to be Clinton's regular girlfriend if he so desired," Brock reported. Jones says Clinton dropped his trousers and made an indecent proposal, which she refused. Ferguson's allegation in the *Spectator*, she says, forced her to clear her name.

Q: What's Clinton's story?

A: The White House denies everything and says Clinton never saw Jones in his life.

Q: Does anybody else corroborate her version?

A: *The Washington Post* reported that Jones told her mother, two friends and her future husband about Clinton's proposition. All of them say she was shaken and upset. One of her sisters, on the other hand, says Jones "was laughing" about it.

Laughing and crying

Q: Laughed about it? Doesn't that shake her credibility?

A: Not necessarily. People frequently deal with stressful situations by laughing.

Q: I read in the current issue of *U.S. News* that Jones grew up in Lonoke, Ark., population 4,000, and that the family was so poor that on one occasion her mother didn't have enough money to make a plum pudding. Isn't Jones just another bimbo — poor white trash, so to speak?

A: Being poor and from a small town doesn't make anybody "poor white trash." Abe Lincoln, though of humble parentage, certainly wasn't poor white trash, and Bill Clinton grew up poor in Hope, Ark., not exactly a metropolis. Unlike her two older sisters, who dropped out of high school to get married, Jones finished school and tried to make something of herself. Three years ago she married Steve Jones, a well-paid employee of Northwest Airlines. They drive a Mercedes and would be considered middle class, not poor.

Q: But isn't this whole business about bimbo eruptions just another example of partisan politics and guttersnipe journalism? After all, take a look at who's on Clinton's case: *The American Spectator, The Washington Times,* Reed Irvine of Accuracy in Media. I mean, gimme a break.

Partisanship involved

A: Certainly partisan politics has colored the story. Partisanship is a natural ingredient of political democracy. After the election of Grover Cleveland, who had fathered a child out of wedlock, people jeered, "Mama, mama, where's my pa? He's in the White House, ha-ha-ha." The question isn't whether Clinton's enemies are taking political advantage, which they are, but whether the charge of aggressive sexual harassment is true.

Q: Who cares? Even if he did proposition this woman, shouldn't we be more concerned about health care and a decent life for disadvantaged Americans than about whether Bill Clinton did or did not make an indecent proposition to some obscure woman in a hotel room?

A: We were concerned about health care and other issues when Clarence Thomas was nominated to the U.S. Supreme Court, but that didn't keep Anita Hill's allegations of sexual harassment from being thoroughly aired. Nor were Americans so preoccupied with other matters that they shrugged off the Tailhook scandal. Nobody said that, because of pressing health care issues, Adm. Frank Kelso ought to be exonerated for looking the other way when women naval officers were sexually abused.

Q: All right, suppose the president is put on trial, all the evidence points to his guilt and the jury finds for the plaintiff, Paula Jones. Where does that leave us? This guy is the only president we've got.

A: Let me turn the question around. Suppose the president is entirely innocent, but the case isn't allowed to go to trial. Where does that leave us, and where does it leave him?

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Another bimbo unloads on "the best president in a long time"

WILLIAM P. CHESHIRE
Senior Editorial Columnist

Now that media bigfeet, though scarcely breathing hard, are slogging ahead on Whitewater, this may be the wrong time for another bimbo eruption. But timing can't be helped. The press isn't supposed to save the news for dull days. It's supposed to report the news in a timely fashion.

How's it doing? You decide.

At a Washington news conference last month a young woman named Paula Jones, described by Mickey Kaus of *The New Republic* as petite, attractive and "appropriately frightened looking," joined the growing list of those accusing Bill Clinton of sexual misconduct — in this case, harassment.

At the time, she was a state employee working the registration desk at the governor's Third Annual Management Conference in Little Rock. The date was May 8, 1991.

At about 2:30 that afternoon, she says, an Arkansas state trooper came to the desk — why does this sound familiar? — and "informed me that then-Gov. Bill Clinton had requested that I meet with him in a certain room number in the hotel."

In the room she found the governor waiting. Clinton, she says, "made a series of unwelcome sexual advances toward me." These were rebuffed. Pressed for specifics, Jones, seemingly embarrassed, said the governor told her she had "nice curves" and "I love the way your hair goes down your body." He then solicited an unspecified sex act.

Was it an act, asked a reporter, that she could have performed without taking off her clothes? She said it was. Did Clinton himself undress? She declined to answer. When the questioning became more specific, the news conference broke up.

"Afterward, as usually happens at these events," writes Kaus, "reporters conferred with each other to try to figure out whether what they'd just seen was 'a story' and (what may or may not be a different question) whether anybody was going to report it."

The consensus: "If CNN carried it the networks would carry it, which meant that *The New York Times* might carry it, in which case it would be a big story."

Neither CNN nor the networks carried it. *The New York Times* splashed a five-inch story all over the bottom of page 8, along with the boilerplate White House waffle ("He does not recall meeting her").

When the trooper-bimbo story first broke in *The American Spectator* — the *Los Angeles Times* had sat on the story for a month without hatching it — sleep-walkers in the press attributed their embarrassing lack of enterprise to an absence of corroborating witnesses.

Newsweek's Joe Klein spoke of "uncorroborated and hyperbolic accusations," a story "told by questionable sources without corroboration," an attempt "to destroy a public figure with unsubstantiated charges." If the allegations are true, he asked, "where are the women?"

Trying without much success to get the attention of the press.

Paula Jones' accusations are corroborated by two women who attest in sworn affidavits that she told them of Clinton's harassment shortly after it occurred.

The accusations of former Miss Arkansas Sally Perdue, who says she was fired when she refused to hide Clinton's extramarital tomcatting, also are corroborated, at least in part.

Confirmation doesn't matter. The stories go nowhere. The "prestige press," which trolls Hollywood gutters for salacious tidbits and fells whole forests to report the unsavory details of a deranged woman's amputation of her husband's sex organ, has no time to examine such frivolities as the credibility of the president.

Suzanne Garment, author of *Scandal: The Culture of Mistrust in American Politics*, surmises that the news media's Whitewater coverage, which amounts to poking gently at the surface, is an attempt to avoid deeper — and, to the average Joe, more comprehensible and thus more damaging — character flaws.

Mickey Kaus seems to confirm her suspicions. "Few journalists want to see the president crippled now that he is making some progress cracking large, intractable domestic problems," he writes in the March 7 *New Republic*.

Clinton, Kaus believes, is "the best president we've had in a long time. That is the unspoken reason the sex charges haven't received as much play as you might expect. Reporters are patriots, too."

Why should Clinton need David Gergen when he has the patriot press?

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Clinton distracts us with shameless fraud

THOMAS SOWELL
Creators Syndicate

Both professional magicians and pickpockets know that the key to their success is getting people's attention distracted from what is really going on. So does the president of the United States.

President Clinton's 10-minute talk to the nation from the oval office used the classic techniques of distraction by trying to get us angry at "the rich" for not paying "their fair share" of the taxes and by trying to scare us with the deficit, which was represented as the root of all our economic evils.

As political propaganda, it was a classic of the art. In terms of facts and logic, however, it was a shameless fraud from start to finish.

Let's start with "the rich" and their "fair share" of the nation's taxes.

With all the endless repetition of this phrase during last year's election campaign, Bill Clinton has never said what that fair share was, or even by what principle it should be determined. How much of the nation's total taxes should be paid by the top 10 percent? Twenty percent? 30 percent? 40 percent? 50 percent?

If you chose any of the above, you missed it. They already pay 56 percent of all taxes.

In political newspeak, "fair" taxes mean more taxes — and more taxes for everyone. "The rich" are what politicians distract you with, while they pick your pockets.

The Big Lie of our time is that we have a growing deficit because of "tax cuts for the rich" during the Reagan administrations. Hopeless confusion between tax *rates* and tax *receipts* allows this fraud to continue.

Tax rates came down during the Reagan administration — for everyone — but tax receipts went up, by hundreds of billions of dollars. The amount of money taken in by the federal government doubled in a decade, as the economy boomed.

Taxes are an economic killer, even though they are a boon to politicians, who want to get more of the nation's resources passing through the hands of the government, so that they can hand out more goodies to buy votes.

What really galls them about the Reagan tax cuts is that a smaller percentage of the booming economy passed through Washington. People in higher brackets paid more taxes, and even a higher percentage of the total taxes in the nation, but they paid a lower percentage of their growing incomes.

Money that is hidden in tax shelters when tax rates are high gets taken out and invested in something more productive when tax rates come down. That means more business, more jobs, and even more revenue for the government. But Washington's percentage share of the bigger pie is smaller.

Why is there a deficit, in the first place, when the federal government's tax receipts doubled in a decade? Because federal spending more than doubled in a decade. There is no amount of taxes that will reduce the deficit, so long as spending goes up by more than $1.50 for every dollar of new taxes.

Deficits are a cause for concern, but concern is different from politicized hysteria. Deficits are not the be-all and end-all of economics, even though politicians and the media love to seize upon some number and make it a magic touchstone.

Employment can go up or down, regardless of which way the deficits are going. Employment boomed during the 1980s, while the deficit soared. The one time President Franklin D. Roosevelt balanced the budget, the economy declined and there was more unemployment. There is no simple relationship between deficits and the economy.

Deficits are constantly talked about, not because of their economic significance, but because of their political significance. They are a way of getting the public to accept higher tax rates.

Anyone who reads the comic strip *Peanuts* has seen the pattern. Lucy offers to hold a football so that Charlie Brown can kick it. Then she pulls it away at the last minute and Charlie falls flat on his backside as he misses it.

The running gag is how she manages to get Charlie to try again and again, by promising that this time she is really going to hold the football.

In Washington, the same game is played with spending cuts. Conservatives agree to higher taxes, in order to bring down the deficits, while liberals agree to spending cuts in return. But just as the conservatives come running up like Charlie Brown, the liberals pull away the spending cuts.

This Washington game has been going on longer than *Peanuts,* though it is not nearly as funny. Mr. Clinton's program is more of the same — taxes up front, with spending cuts and deficit reduction promised somewhere down the road, years from now.

Good luck, Charlie Brown.

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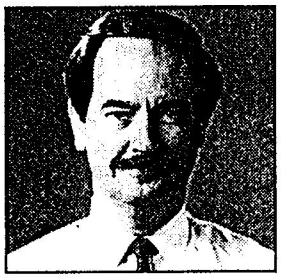
President lost some integrity



CAL THOMAS

Los Angeles Times Syndicate

It is hardly to his credit that President Clinton succumbed to intense political pressure and agreed to the appointment of a special prosecutor to investigate his and Mrs. Clinton's relationship to the defunct Whitewater Development Corporation. After repeatedly asserting that no investigation was needed, the president gets no points for integrity by caving in to the inevitable.

Integrity is the most important character quality a president can have, and by waiting so long to address concerns raised in many quarters, from editorial pages at traditionally liberal newspapers to members of his own party, the president has squandered what is left of his. When integrity dies, no amount of media manipulation, stonewalling or clever rhetoric can restore the public's trust.

A visit to the dictionary reveals the importance of this critical character trait. "Integrity: an unimpaired condition; soundness; firm adherence to a code of especially moral . . . values; incorruptibility; the quality or state of being complete or undivided."

This definition does not fit either the president's or Mrs. Clinton's actions as they mounted a battle to keep information from the public about their past activities.

A "damage control" task force stayed in Washington during the president's European trip. But would there be damage to control if something was not amiss? When questionable actions are discovered, the best way to manage "damage" is by full disclosure.

The poet Alice Cary observed that "True worth is in *being,* not *seeming.*" In his public life President Clinton has focused almost exclusively on seeming to be something that he clearly is not. On questions of personal rectitude and marital fidelity, he seems to be a man who is misunderstood and unjustly wronged by his political enemies for personal gain.

But increasingly the public sees what he really is: a skillful manipulator who hides a classic liberal political agenda behind the facade of a moderate, even slightly conservative, churchgoing family man.

Before caving in on the matter of the special counsel, the president told Dan Rather, "The most important thing to me and the most important thing to the American people is I'm completely relaxed about this because I didn't do anything wrong . . ."

No, Mr. President, that is incorrect. Your relaxation level has nothing to do with it. Some people are cool enough to beat a polygraph test. Whether you and Mrs. Clinton are telling the truth is what is most important.

The president should have taken a lesson from an incident I recall when I was a reporter in Houston. Then Lt. Gov. Bill Hobby had been stopped by a state police officer while driving in the early-morning hours in the Austin area. The police reported a woman was with him (he described her as a British "journalist") and that bottles containing alcoholic beverages were on the back seat. The story made the front pages of Texas newspapers, including the *Houston Post,* which was owned by the Hobby family. Hobby quickly pleaded guilty to a traffic violation, publicly apologized and the story was forgotten.

It is clear that quick and full disclosure remains the best method for politicians to safeguard their integrity. Early confession about Watergate misdeeds could have saved the Nixon administration from scandal and ultimately resignation. The cover-up, more than the unconfessed deeds, did in Nixon.

Former Education Secretary Bill Bennett has compiled a collection of works on integrity and honesty called *The Book of Virtues.* Today it sits atop the *New York Times* best-seller list, an indication that this is a subject large numbers of Americans care deeply about.

In his chapter on honesty, Bennett says, "To be honest is to be real, genuine, authentic and bona fide. To be dishonest is to be partly feigned, forged, fake or fictitious. Honesty expresses both self-respect and respect for others. Dishonesty fully respects neither oneself nor others.

"Honesty imbues lives with openness, reliability and candor; it expresses a disposition to live in the light. Dishonesty seeks shade, cover or concealment. It is a disposition to live in the dark."

Which of these descriptions most accurately reflects the attitude and behavior of president and Mrs. Clinton?

Does this administration seem to prefer the darkness to the light because it has something to hide? Mr. and Ms. President, it's about time you came clean.

Scandals show how much power corrupts

THOMAS SOWELL

Creators Syndicate

The recent revelations that government agencies secretly conducted nuclear radiation riments over the years on ispecting Americans, including lren, may obscure the scandal ving out of charges of financial sexual misconduct by Bill and ary Clinton.

ne scandal should not obscure the r. They both show the corrupting t of power and how dangerous it r the public to have blind faith in tical leaders and to think of them mehow larger than life.

oo often politicians are smaller life, dirtier than life, meaner than

ll this is especially important as are being rushed along by rhetoric turning vast new powers over to government, including the power letermine what medical treatment or our loved ones can get even lives are hanging in the balance.

The media seem to think that racter issues are somehow off its in judging political figures — or east liberal political figures. It is azing how many media people ay say that the charges against the ntons should be disregarded ause they are unsubstantiated, even ugh many of those same people ught that unsubstantiated charges talking dirty were enough to keep rence Thomas off the Supreme Court — even when those charges came from a woman who kept contacting him for years afterward.

Media double standards go beyond ideological differences. Many media people not only see nothing wrong with the Clintons creating a wholesome image for political purposes, they even helped them do it. Gushing stories about Hillary's wonderful qualities have created a veritable "cult of personality." Bill's supposedly down-to-earth rapport with ordinary people, and his compassion for them, have likewise become staples of political discourse.

But when that image is challenged, the subject of what kind of people they are and what kind of lives they lead is irrelevant and unfair.

The very fact that politicians put so much attention into projecting an image of a certain character belies the claim that character is irrelevant. Much of the media treat an image-making lie about character as forgivable — and the devastating truth as unforgivable.

The article by David Brock in *The American Spectator* magazine that first broke the Arkansas state troopers' charges against the Clintons was vehemently denounced as "sleaze," by TV commentator Paul Duke. Others have joined the chorus of denunciation of Brock's article.

None of them seem quite able to come right out and say that the charges are untrue. For that matter, Hillary Clinton's characterization of the charges as "outrageous" did not say that they were untrue. Nor did Bill Clinton's claim that he had done nothing wrong really meet the charge head on and call it a lie.

The picture of the Clintons that emerges in Brock's article is indeed a picture of sleazy people and even outrageous people. But that doesn't make the article itself either sleazy or outrageous. The question to ask about the article is whether it is true.

Brock himself noted that the state troopers might have reasons for their charges based on revenge or the hope of financial gain from a book. But nothing lends more credence to their charges than subsequent telephone calls to these troopers from the president and at least one of his aides.

What is there for the president or his aide to talk about to the Arkansas state troopers, if these charges are lies? If the troopers made this stuff up for some personal reason, why would a phone call make any difference?

On the other hand, if the troopers were telling the truth, then the phone calls make sense as a desperate attempt to try to stop them.

Character can never be irrelevant as long as government involves trust — and the kind of vastly expanding government powers sought under pious labels by the Clinton administration require even more trust. Who is going to read the 1,342 pages of the Clinton health care plan? Probably not even all the congressmen who vote on it.

They are going to have to rely on there being no jokers in the deck — and there are already jokers in the deck, even before the law is passed or the bureaucrats create thousands of new regulations to implement the law.

How many members of the public are even aware of the new federal crimes being created by this legislation? How many know that what they and their doctors decide is best to save their lives, or the life of a loved one, can become a criminal offense if it doesn't fit into the rules and regulations set up by Hillary Clinton and Company?

Is anybody to be trusted with that power? Saints perhaps. But saints are in short supply in Washington.

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Clinton can't cover up his administration's sleaze forever

Cal Thomas

The appointment by Attorney General Janet Reno of an independent counsel to investigate how Secretary of Commerce Ron Brown made nearly $500,000 in a business venture in which he invested no money brings to four the number of top Clinton Administration officials whose ethics are now under official scrutiny. In addition to Brown and the president, who remains the primary subject of a lengthy inquiry known collectively as Whitewater, there are two other probes.

Former Secretary of Agriculture Mike Espy is being investigated because of allegations he may have violated criminal law in accepting gifts from companies and individuals with business before his department. Last December, the investigation was broadened to include whether Espy illegally accepted gifts from an Arkansas poultry company with ties to Clinton. And HUD Secretary Henry Cisneros is being investigated to determine whether he lied about making payments to a former mistress.

During the 1992 campaign, candidate Bill Clinton regularly referred to the "sleaze factor" in the Bush and Reagan administrations. "For 12 years of this Reagan-Bush era," said Clinton, "the Republicans have let S & L crooks and self-serving CEOs try to build an economy out of paper and perks. It's the Republican way: every man for himself, and get it while you can."

More and more, though, this looks more like a description of the Clinton administration. In my growing files on the Clinton presidency and its own proclivities for questionable ethics, I am amazed at the number of stories, columns and commentaries, from liberals and conservatives, that have focused on this Administration's lapses. Bill Clinton pledged to enact the toughest ethical standards for government office there had ever been, signing an executive order to that end on Inauguration Day. Properly being held accountable to standards he set, he is increasingly found wanting.

From Travelgate to backdated payrolls, White House passes for cronies and political consultants, failure to make required disclosures on Hillary Rodham Clinton's health care task force, conflicts of interest and a President and three Cabinet members under investigation, this is an administration that knows sleaze.

There are as many critics from the left (perhaps more because they see their window of opportunity to restore liberal government failing) as from the right, and many spotted the problems early. Five days before the inauguration, The Washington Post headlined an editorial "Ethics and Ron Brown," noting that "Mr. Clinton exacerbated (the ethics issue) by claiming ... that his Administration would somehow be different from its predecessors in this regard and be squeaky-clean."

One month into the new administration, columnist David Broder wrote that the President was "fudging the truth" about taxes and that he was "up to his old tricks." In May 1993, The New York Times editorialized about the Administration's "scrambled ethics" and called a fund-raising breakfast scheduled by the Democratic National Committee to put the bite on lobbyists and big corporate donors "a tawdry affair." Contributors didn't get breakfast, but they got special briefings by top officials and tickets to a gala called The President's Dinner. Cost? Fifteen thousand dollars a couple. "So much for setting a higher moral tone," said the editorial.

"Clinton's distortions are brazen, unrelenting and unusually specific," wrote columnist Robert Samuelson in the June 9, 1993, Washington Post. "Clinton lies. I could put it more delicately, but that would miss the point."

Why haven't the Clinton administration's ethical and veracity problems had a greater impact? Because the big media have failed to link all the transgressions into a single, defining

But that may change. With the start next month of Whitewater hearings in the Senate and later in the House, the cover will be lifted and the extent of the sleaziness will be exposed.

Cal Thomas is a nationally syndicated columnist.

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Clinton's coattails turn slippery for Arkansas entourage

Aides came to D.C. as idealists, caught in 'sleaze factor'

The Associated Press

WASHINGTON — Near a makeshift plywood stage in 1992, the president-elect stopped to chat with a fellow Arkansan about the Cabinet he had just announced to the world.

A few members were from Arkansas, and dozens more friends and allies were expected to land key administration posts. Clearly, Bill Clinton wanted people around him he could trust.

But he saw a downside.

"I'm concerned about the perception that we're taking too many people from Arkansas," Clinton said earnestly. "What do you think?"

How will it look, he asked.

If he didn't know then, 15 months ago, he knows now: It's looking bad.

The Arkansans, who came to Washington tagged by some as idealists capable of sweeping reform, are now perceived — fairly or not — in a different light.

"The image of the high-minded, new generation with great ideals is being replaced with the perceptions of failed promises, politics as usual, cronyism and the new sleaze factor," said Bob Lichter, director of the Center for Media and Public Affairs in Washington.

"The new faces are now old cronies."

A lot of it seems to go back to the Rose Law Firm, the prestigious Little Rock institution where first lady Hillary Rodham Clinton was a partner. Three other former partners, Webster Hubbell, William Kennedy and Vince Foster, became key figures in the Clinton administration.

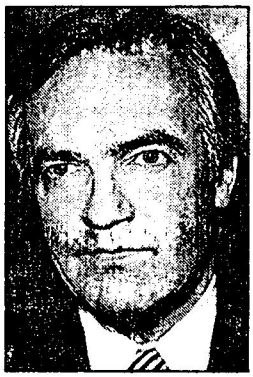
All three are now political liabilities to the president:

• Foster had a sterling reputation in Arkansas. As deputy White House counsel, he had a hand in most major presidential appointments. He also was the Clintons' personal attorney.

His unexpected July death, an apparent suicide, wounded the Clintons personally. It became a political problem by the end of the year with reports that Whitewater papers he held for the Clintons were removed from his office. Now, prosecutors are re-examining the suicide ruling, amid a flurry of rumors spawned by the Whitewater frenzy.

William Kennedy / Watched his marriage crumble while he worked 12 hours a day in the White House counsel's office.

Webster Hubbell / As associate attorney general, he was the Clintons' eyes and ears at the Justice Department.



Vince Foster / As deputy White House counsel, he had a hand in most major presidential appointments.

• Hubbell, a former football star, Little Rock mayor and state Supreme Court judge, was nearly as well-respected as Foster. In the new administration, Hubbell was named associate attorney general, the Clintons' eyes and ears at the Justice Department. He resigned last week to deal with accusations of overbilling raised by the new generation of Rose Law Firm leaders, a charge that spilled into the Whitewater affair.

• Kennedy, managing partner of Rose, watched his marriage crumble while he worked 12 hours a day in the White House counsel's office. His duties included reviewing potential job applicants for embarrassing information, such as tax problems.

Those duties were taken away Wednesday after revelations that he had failed until recently to pay Social Security taxes for a nanny.

The problems aren't limited to Rose alumni. Patsy Thomasson, a former member of Bill Clinton's gubernatorial Cabinet in Arkansas, recently came under fire as a White House administrative assistant.

The Securities and Exchange Commission is conducting an insider-trading probe that reportedly includes a group once headed by Thomasson.

She was among a group of officials who, according to the *New York Post,* tried to gain access to Foster's safe the night he died. White House officials have scoffed at the report, and Thomasson has refused to comment.

All this has changed the way politicians, the press — and, to a lesser extent, the public — view the Arkansans. What was once down-home and charming threatens to be perceived as lowdown and harming.

"That's the real danger of Whitewater for Clinton, assuming that there's nothing there," Lichter said. "Even if there isn't a smoking gun, the media are now looking for smoke-filled rooms."

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Joseph Sobran

Scandal Continues To Build

Anyone who isn't cackling over the Whitewater scandal must be lacking some ingredient of basic humanity. This is getting rich. It has already reached the human sacrifice phase.

Out went poor little Bernie Nussbaum, as the administration tried to tell us it has pinpointed the source of the Whitewater trouble: a rogue lawyer in the White House. He'd been scurrying around hiding documents, like a squirrel hiding acorns, without consulting the Clintons. Once they found out about it, he had to go.

JOSEPH SOBRAN
Universal Press Syndicate

The Nussbaum firing staved off the press for a few hours. Then *The Washington Times* reported that Hillary Clinton had ordered the shredding of large quantities of Whitewater-related documents back in 1992. There was no way this could be pinned on Bernie Nussbaum.

Our young president now says there is no parallel between Whitewater and Watergate. "No one has accused me of any abuse of authority in office," he says. "That's what Watergate was about."

Whitewater keeps reminding people of Watergate — cover-up, denial, complaints of wallowing, charges that the inquiry is political — but the parallel isn't exact. After all, the first lady wasn't implicated in Watergate.

Say what you will about Richard Nixon, Pat Nixon was clean. She didn't have moral pretensions, a political agenda or a fawning press corps. She never got into shredding documents before the prosecutors could get to them.

The delicious part of this one is that Hillary Clinton, one of the starlets of the most morally pampered generation in history, should be the center of the scandal. Hillary Rodham was a leading young voice of protest at Wellesley, awing her elders with her moral passion. She went on to Yale Law School, then joined the staff of the Rodino Committee in 1974 as it hunted down the evil Nixon. Ambitious though she was, she never dreamed she'd one day be the quarry in a similar hunt.

"I do not believe for moment that she has done anything wrong," says her husband, sounding faintly distant. "If everybody in this country had a character half as strong as hers, we wouldn't have half the problems we've got."

Yes, Hillary has always stood for Virtue. No sense of her own frailty or fallibility has inhibited her as she denounced the greed of the Reagan years, of corporations, of whole industries. The Hillarists in the press have covered her worshipfully as she asserted her claim to be our moral empress, making sure we don't reap excessive profits, abuse our children, or smoke.

It's fitting, somehow, that she has been a "spokesperson" for children's rights — a cause that reeks of moral arrogance. Its champions always imply that they care more about your kids than you do.

In one respect you have to feel a little sorry for Bill Clinton. When other presidents got into trouble, they could retreat into the comforts of domesticity with their wives. He can't. He and Hillary are both up to their necks in public life, and his interests and hers may diverge sharply.

In fairness to Hillary, Bill isn't exactly a model spouse either. His lifestyle may be no worse than that of a lot of French politicians, but then sophisticated Parisians don't usually do it in a pickup truck.

By all reports, Hillary Rodham Clinton doesn't blame [illegible] is a very bright woman. But she has yet to acquire one important skill: self-criticism.

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Clinton On the Job

Joseph Sobran

WASHINGTON — During the Watergate inquiry we often heard the press use the phrase "lying to the American people." Funny we haven't heard it lately.

After our young president's press conference on his and his wife's Whitewater doings, journalists spoke of his "impressively smooth performance" (*Time* magazine), his "effective performance" (E. J. Dionne Jr.), his "bravura performance" (Richard Cohen). They sounded like drama critics. Nearly every description used the word "performance." The only question was whether he had won over the half-attentive mass audience, not whether he had told the truth.

Yet as far as I know, not a single pundit, however favorable to Mr. Clinton, said, "I believe him now." Not even Eleanor Clift of *Newsweek*, Mr. Clinton's loyal Olive Oyl, dares to say more than that nobody has proved that any crime was committed.

When everyone is chattering, it can be instructive to notice what isn't being said: Not a living soul in Washington thinks Mr. Clinton's word is worth a dime. Yet there is a certain delicate reluctance to observe that he is a habitual liar.

When the pundits laud his "performance," it's as if they were discussing Robert de Niro's impersonation of Al Capone. It's an absolutely wonderful impersonation, and nobody thinks for a moment that it's the real Al Capone.

To praise Mr. Clinton's "performance," in fact, is to imply that you are not confusing the actor with the character he plays. It is to suggest that he is, to borrow an old phrase, lying to the American people — and succeeding at it, if the polls are right.

The performance? He was glib, as usual, and didn't collapse, sobbing, under mild pressure from his questioners. In fairness to him, nobody should have expected comprehensive answers to legal and financial questions at a press conference. All he could have displayed in the circumstances was aplomb, and he showed that in abundance. He isn't called Slick Willie for nothing: He began by referring to his recently deceased mother, whose memoirs, it transpires, he helped her write. He reminded us of things he'd forgotten about.

But as luck would have it, yet another Clinton adviser is in the soup for possible interference with the Whitewater inquiry. George Stephanopoulos privately expressed his antipathy, shall we say, to Jay Stephens, the aggressive Republican prosecutor who has been assigned to the case.

What? Not another White House rogue operation! Didn't the fate of Bernie Nussbaum teach these functionaries anything? How frustrating it must be for Mr. Clinton to be plagued with so many of what Richard Nixon used to call "overzealous subordinates," who, reckless and unbidden, are ready to test the boundaries of law and ethics on his behalf. They are, you might say, his Oliver Norths.

The Stephanopoulos story fits a pattern. A remarkable number of stories about Mr. Clinton, whether they are unconfirmed rumors or uncontested facts, whether they involve threats and violence or mere legal maneuvers, have one striking thing in common: They all tell of attempts to control damaging information or to head off its release.

No president since Nixon has acted as if he had so much to hide. And eventually Nixon too, under pressure to disclose, tried the tactic of the "modified limited hangout," or "Operation Candor," in which masses of information — some of it embarrassing, but most of it irrelevant — were released, while critical pieces were withheld.

Watergate began with a burglary, which, at the time, didn't seem like the beginning of anything. The Whitewater scandal seems, more and more, to have begun with a violent death, the apparent suicide of Vincent Foster, that also seemed unrelated to anything at the time. Clinton even ventured the opinion that an inquiry would turn up nothing. How could he have known?

Maybe we should stop congratulating ourselves on our wonderful political system and ask ourselves frankly: Why do we keep getting presidents like these? Shakespeare was a patriotic Englishman, but when you read his history plays, you find he had no illusions about the sort of men who

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Brown accusations add to Clinton's image problem

By Julia Malone
Cox News Service

WASHINGTON — President Bill Clinton, who came into office promising to set the highest ethical standards in history, is now fighting off an image of an administration increasingly encircled by suspicion.

■ The decision Wednesday by Attorney General Janet Reno to seek an independent counsel for the complex personal finances of Commerce Secretary Ron Brown means that soon there will be four separate independent counsels picking through records of Clinton administration officials.

■ Also Wednesday, the Senate set the stage for the next public airing of the Whitewater controversy by voting to establish a special committee for a new round of hearings on the Arkansas real-estate and campaign dealings of the president and Hillary Rodham Clinton.

■ Within the next week, Whitewater special counsel Kenneth Starr must decide whether to indict one of Clinton's most trusted confidants, his counsel Bruce Lindsey for questionable bank transactions. The statute of limitations on that charge runs out May 25.

The administration launched a vigorous defense of Brown, the latest target for investigation.

The president called his commerce secretary's success "unparalleled" and made it clear he would keep him on the job and expressed confidence that the probe would find no wrongdoing.

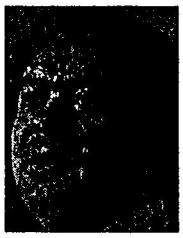
Faced with the growing number of investigations, Clinton and his aides hold that their team is no less ethical than past ones — it's just that it's so easy to demand a special prosecutor.

"The threshold for these examinations is set by design very, very low," said White House press secretary Michael McCurry, echoing remarks made repeatedly by his boss.

However, as McCurry acknowledged, the rules are unchanged since the Bush administration, which was never the target of a special prosecutor.

Still, McCurry blamed the "political culture we now live in" for the mushrooming of special prosecutors.

Alex Benes, managing director of the nonpartisan Center for Public Integrity, rejected that reasoning. "It is nonsense because the president, when he was campaigning, said his would be the most ethical administration ever.


Ron Brown

"They seem to be commenting in a manner in which they have not been meeting their own standard, and it sounds like now they want that standard changed."

Already, Agriculture Secretary Mike Espy has been forced to resign amid a special counsel probe of gifts he accepted, and a special counsel has been requested to look into whether Housing Secretary Henry Cisneros lied to the FBI about agreeing to pay large sums to his former mistress.

Those are just some of the most publicized of the troubles that have bedeviled the Clintons and their close associates for much of the two and a half years they've occupied the White House.

Others prominent examples include:

■ Webster Hubbell, who resigned from the No. 3 spot at the Justice Department and pleaded guilty to overbilling legal clients in his private practice where he had been a law partner of Mrs. Clinton.

■ David Watkins, who was forced to resign as White House administrator after he requisitioned two military helicopters for a golf outing.

■ William Kennedy, White House counselor, who was reprimanded for his role in firing travel office staff and later quit acknowledging he failed to pay Social Security taxes for a household worker.

In documents unsealed Wednesday, Reno asked a court panel to appoint the counsel to determine if Brown improperly accepted nearly $500,000 from a business partner and whether he deliberately filed inaccurate disclosure statements and a misleading mortgage statement.

A deliberate omission on the annual financial disclosure statement would be illegal. In this case, Reno said, evidence indicates Brown "lacked criminal intent in his failure to disclose this information."

But she called for the independent counsel to investigate anyway because "I am unable to conclude at this juncture that such evidence is clear and convincing."

Brown, who chaired the Democratic Party during President Clinton's successful 1992 campaign and was once mentioned as a likely chairman of his 1996 re-election effort, called Reno's request "disappointing." He said he was confident he would be exonerated.

Hot water

Criminal investigations of past and present Clinton administration officials:

■ **President and Hillary Rodham Mrs. Clinton.** Independent counsel Kenneth Starr has been investigating a wide variety of dealings, including their Whitewater real estate company and Clinton's gubernatorial campaigns. The Senate debated Wednesday whether to create a special Whitewater panel to investigate further.

■ **Ron Brown.** Attorney General Janet Reno asked for an independent counsel to investigate whether the commerce secretary fully disclosed his finances as required by law.

■ **Henry Cisneros.** Reno asked for an independent counsel to look into allegations that the housing and urban development secretary lied to the FBI about payments to a former mistress during the confirmation process for his 1992 nomination.

■ **Mike Espy.** The agriculture secretary left office at the end of last year amid an investigation of his acceptance of airplane flights and Super Bowl tickets from companies regulated by his department. An independent counsel requested by Reno is conducting the probe.

■ **Ira Magaziner.** The U.S. Attorney's Office in Washington has been asked by a federal judge to investigate whether the White House adviser lied under oath about the activities of the health reform task force headed by Hillary Clinton.

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Washington Today

Congress Wants in

By LARRY MARGASAK
Associated Press Writer

WASHINGTON — It's Oliver North sitting ramrod straight in his Marine uniform. It's John Dean, in 7½ stunning hours, describing Richard Nixon's abuse of power. It's Nixon administration aide Alexander Butterfield divulging a tape-recording system that sunk a presidency.

Will Democrats make sure that Whitewater never produces these dramatic, televised scenes from the Iran-Contra and Watergate hearings?

In the next few months, will it be the open hearing room or the closed grand jury room that will ferret out — and then reveal to America — any and all secrets of Whitewater?

Either the hearings in Congress or the separate criminal investigation may unravel the Whitewater story: the real estate losses of Bill and Hillary Rodham Clinton, improper transactions by the failed Madison Guaranty Savings and Loan, the circumstances of deputy White House counsel Vince Foster's death and suspected White House meddling in the case.

But can congressional hearings be held without jeopardizing the criminal investigation by special counsel Robert Fiske?

Republicans think they've found the middle ground for hearings in two or three months. The congressional attorneys in Iran-Contra and Watergate agree; the Iran-Contra independent counsel does not.

The GOP formula: Do not grant the immunity that led to reversal of Iran-Contra convictions; give Fiske first crack at the key witnesses, so no one will tailor their grand jury testimony to fit statements from the hearings; begin hearings with the issue of alleged White House interference, the phase Fiske will complete first.

Arthur Liman, the Senate's chief Iran-Contra counsel, said that solution could work.

"By deferring, you simply maintain a cloud. I would favor whatever is required to permit the president to get this behind him. I suspect it may be necessary for that to be hearings."

Sam Dash, the Senate Watergate committee counsel, said in a televised interview, "Congress has a very important constitutional function that the Supreme Court has held, and that is to keep the public informed. So I see no problem, by the way, in Congress holding hearings."

But Iran-Contra independent counsel Lawrence Walsh said Fiske should be allowed to finish his work first.

"It's the urgency I question. The first question that occurs to me is why Congress needs them (hearings)," Walsh said.

In the Iran-Contra case, Walsh said, there was evidence of continuing, "outright defiance" of laws and congressional directives by the Reagan White House. It was urgent that Congress try to learn the facts, he said.

"What is there in Whitewater that's comparable?" he asked. "Is there anything urgent now? It's one thing to be looking at something that happened in the past and another to look at defiance of Congress in an ongoing operation like sales of arms to Iran."

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Embarrassing scrutiny for first lady

WILLIAM SAFIRE
The New York Times

Vincent Foster must have been worried sick last June about his letter of Feb. 28, 1989, to the Federal Deposit Insurance Corp.

In this nine-page letter from the Rose Law Firm of Little Rock, Ark. — probably among the many papers concealed by the Clinton subpoena collusion with Justice — Foster made a pitch for the lucrative legal business growing out of the collapse of the Madison S&L.

But nowhere in this document, now under active investigation by the FDIC, is there any mention that the Rose firm had represented Madison when it was open.

Foster was asking the FDIC to hire the firm, in effect, to sue its previous clients — which strikes me as an egregious conflict of interest.

Foster might have realized that failure to disclose the Rose firm's conflicting representation — not to mention Hillary Clinton's investment connection in Whitewater Development with the bank's former president — placed himself, the first lady and others in danger of prosecution under Section 1001 of the Criminal Code: making false statements to the government, which includes covering up "a material fact."

Foster also had reason to assume that his former partner, Mrs. Clinton, might soon be subject to scrutiny for her representation of the Madison S&L when it was seeking fresh capital to avoid impending insolvency.

As the bank's attorney, she was an "independent contractor" under Section 3(u)4(C) of the Federal Deposit Insurance Act. She should have known that the insured was engaging in "unsafe or unsound practices" that ultimately cost insurers — U.S. taxpayers — $60 million.

Ignorance is her defense, but an embarrassing one for a sophisticated lawyer; as Judge Stanley Sporkin put it in his 1990 Keating decision, "Where were these professionals?"

No wonder the president's wife — apparently one of "these professionals" — is willing to subject her husband to the slings and arrows that always follow White House furtiveness.

She does not want those Whitewater and Madison papers exposed because they may show her to be not merely an inept wheeler-dealer, but an occasionally less than competent attorney whose law partner could not bear the prospect of disgrace.

What should the attorney general do? Continue to resist all pressure to appoint an in-house "special" counsel; we've seen how the last one proved to be a patsy prosecutor, beholden to the Justice Department.

Instead, prepare for the court appointment of a truly independent prosecutor when Congress passes the Independent Counsel Act next month by wrapping up the "preliminary" investigation needed to seek court-appointed counsel.

That means sending the FBI to spend long hours with James McDougal, who ran Madison and says he has not yet been asked one Whitewater question by the feds. Clintonites suggest that investigators often ask the key perpetrators last; baloney. Grill both McDougals and the lender David Hale now, get the agents to file "302" reports, then take sworn grand jury testimony and compare the stories. Then talk to the Clintons.

Meld the separate Foster and Whitewater investigations quickly (which the president's lawyer fears, as shown in his request to keep subpoena-submerged documents from Justice's lackadaisical Foster probers), and double the agent manpower.

What should Congress do? Senate leaders, after badgering in these parts, passed the independent counsel bill; in the House, Judiciary chairman Jack Brooks voted it out of committee but could not get the Rules Committee's attention. Speaker Tom Foley's misplaced priorities kept it from passage; now he should make it Item One when Congress reconvenes.

Let the president sign it and let Ms. Reno go to court to swing two gates: Iraqgate and Whitewatergate.

Then have House Banking Committee hearings. Chairman Henry Gonzalez, hero of Iraqgate, is ducking his educational responsibility on this scandal. Liberal Republican Jim Leach is carrying the ball; Henry should make it bipartisan.

What will the president do? With Hillary's professional reputation at risk, full disclosure is not a realistic option. Expect the limited, modified hangout route.

What We Need to Know

By George Roche
President, Hillsdale College

This spring, President Bill Clinton met with the families of two soldiers who had been killed attempting to rescue a helicopter pilot downed in Somalia. The soldiers were to receive the first Congressional Medals of Honor given since Vietnam.

When the President extended his hand to Herbert Shughart, father of one of the recipients, Shughart refused to accept it. "You are not fit to be President of the United States," Shughart said. "The blame for my son's death rests with the White House and with you. You are not fit to command."

I know about this incident because it was reported by Richard Grenier, of the *Washington Times,* who noted that he had become aware of it when he read a report in a British newspaper, the *London Sunday Times.* Grenier observed that, with all the attention focused on the President's appearance at the 50th anniversary ceremonies for D-Day-and with all the eyebrows raised because of his history of avoiding the draft-virtually nowhere had word of this profound slap in Clinton's face appeared in the American press.

How can it be that there was no report of this incident which was, without doubt, enormously embarrassing to Bill Clinton?

As Grenier wrote, "A conspiratorial meeting is not likely to have taken place of the directors of America's major news organizations." Indeed, in an age of proliferating media, when there are so many outlets from which the public can obtain information and so many hands grab for the almighty advertising dollar, news organizations are fiercely competitive.

Yet, said Grenier, "thinking independently," all the networks and national publications "came to the same conclusion"-not to run the story. Only the *Washington Times* revealed the incident, basing its coverage on a foreign source.

There is a lockstep mentality among the media leaders, whose fates are closely linked to those of the reigning political establishment. It takes a maverick like the *Washington Times,* a scrappy little competitor to the all-powerful *Washington Post,* to be willing to skewer the sacred cows.

Oh, the majors have covered Whitewater. But they've treated it mainly as an accounting story, preoccupied with what money and how the books were cooked. They've only danced around the *main* allegation, that the power and influence of the governor of Arkansas may have been up for sale. In similar fashion, they've explored Bill Clinton's sexual appetites. But while titillating us with all the lurid charges, they've never ceased to contrast Clinton's alleged female interests-especially the much-maligned Paula Jones-with the ever-so-virtuous Anita Hill.

Technology is increasing the reach, influence and competitive power of the non-establishment media: the local news outlets whose interests are tied to regional economies outside the New York/L.A./Washington axis. With satellites, computers, fax machines and other modern wonders, hometown editors can shop for news among independent suppliers all over the world. It is only a matter of time before this revolution works its way through the entire news industry.

Yet the major national media continue to operate on the assumption that nothing happens that isn't cleared by the *New York Times,* that Tom Brokaw, Peter Jennings and Dan Rather can make the call on what we need to know.

They had better rethink that assumption. The time will come when we won't need to know what they have to tell us.

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WILLIAM P. CHESHIRE
Senior Editorial Columnist

Clinton's post-bombing power grab

Among the more loony aspects of President Clinton's anti-terrorist legislation is the proposal to empower the Army to investigate crimes involving high explosives, chemicals and biological weapons.

Has the presidential rocker come completely unglued?

The military are trained to overwhelm the enemy through the strategic application of firepower. They are wholly unsuited to the defter science of crime detection.

Only since the elevation of Janet Reno to the nation's highest law-enforcement post has the peculiar idea taken hold that the preferred method for dealing with criminal suspects is to order up the tanks, as was done at Waco.

Now, two years after that costly disaster, the president seizes on the terrible events in Oklahoma City to justify a grab for something approaching war powers.

In addition to gutting the Posse Comitatus Act of 1878, which carefully limits the use of soldiers against civilians, he wants to establish a Domestic Counterterrorism Center and give the FBI additional authority to tap telephones, ransack private papers and infiltrate "suspicious" organizations.

Legislating without debate

As if this were not troubling enough, he wants this unnerving anti-terrorist legislation railroaded through Congress with none of the customary public debate, which he derides as mere politics.

He was fairly apoplectic when Speaker Newt Gingrich, echoing the concerns of various civil liberties groups, questioned the prudence of such hasty and sweeping changes in the law.

"Nothing can justify turning this bill into a political football," the president fumed as he boarded Air Force One for, appropriately, Moscow. "We have kept politics completely out of our fight against terrorism. We kept it out of our mourning. We kept it out of our law enforcement efforts. We are going to keep it out of the rebuilding efforts in Oklahoma. And we must keep it out of this legislative effort."

Politics, properly defined as the art and science of government, is exactly what the situation requires.

Perhaps the president meant to say partisanship, but it is scarcely partisan to want civil liberties respected. The president's proposals are under fire not because their author is a Democrat, but because they are foolhardy.

'Dangerous' Americans harassed

We have witnessed already with what care and discretion the FBI and other federal agencies once exercised the authority, since curtailed, to infiltrate domestic organizations and harass Americans deemed "dangerous."

Their targets included the Friends Peace Committee, the Hospital Workers Union, the American Civil Liberties Union, Dr. Martin Luther King's Southern Christian Leadership Conference, Medical Aid for El Salvador, Amnesty International, the American Federation of Teachers and the U.S. Catholic Conference.

"Suspicious" groups were not simply infiltrated. Government agents in some instances attempted to manipulate the agenda of targeted organizations, hoping to discredit them by provoking violent and illegal acts.

Under existing guidelines, the FBI already may initiate undercover investigations of organizations, including "citizen militias," whenever it has reason to believe that such groups are engaged in criminal activity. Why should it require any greater authority than that?

This is a time for statecraft, not hysteria. The additional powers the president wants Congress to approve would have done nothing to prevent the Oklahoma City bombing and would do nothing to head off a similar occurrence.

As for the so-called "militia" groups, if they are criminally engaged, by all means let the FBI do its stuff. If not, they should be left alone. The explosion in Oklahoma City, terrible though it was, is scarcely justification for harassing people who jump at shadows and like to play soldier.

Terrorism is essentially no different from other crimes of violence and is best checked by patient police work, not by grants of extraordinary powers that inevitably conflict with civil liberties and, as we have seen, are likely to be abused.

The strange death of Vincent Foster and other oddities

WILLIAM P. CHESHIRE
Senior Editorial Columnist

It was a curious tale of violent death and the Washington fast shuffle *The Wall Street Journal* reported on its editorial page last week.

The violent death was that of Vincent Foster, the deputy White House counsel and Whitewater expert whose apparent suicide is the subject of increasing speculation and doubt. The fast shuffle appears to involve everyone from the White House, which ransacked Foster's office and removed evidence, to the Justice Department, which six months later is still sitting on the police report.

On Aug. 10 the press was advised to submit Freedom of Information Act requests for the police findings. The *Journal* submitted such a request. Two weeks later it was advised that the Justice Department would be unable to meet the "statutory time requirement" because of "a backlog of initial requests." In October the Justice Department's public affairs director said the report would be made available within the month. It wasn't. Neither was it made available in November, December or January.

What could they be hiding? To find out, the *Journal* filed suit this month in Manhattan's Federal District Court to force the government to turn loose the report.

Meanwhile, the *New York Post* interviewed police and medics who, after going over the ground where Foster presumably blew his brains out, suspect from the lack of blood that death occurred elsewhere.

The plot thickens.

* * *

Pining for the good old days.

"For more than 70 years Russia dreamed the Soviet dream: the dream of a classless society, the dream of a workers' paradise. The classless state is now a state with a growing population of haves and an exploding population of have-nots. For many, the workers' paradise has become a homeless hell." — ABC's Morton Dean on *Good Morning America*.

"I don't know whether you want to call the economic policies of the Yeltsin government since 1992 'shock therapy' or just dumb. But what they did to these people savaged this society: took their life savings, destroyed their standard of living, and people are selling off their household possessions." — CBS News consultant Stephen Cohen on the *CBS Evening News*.

(Transcripts courtesy Media Research Center, Alexandria, Va.)

* * *

Eyeing trends over the past 30 years, Rutgers University sociologist David Popenoe concludes that the family, the basic social unit of every society, is not merely changing, but has gone into something like a tailspin in this country.

A wide range of statistics on marriage shows, he says, that "Americans today are less willing than ever before to invest time, money and energy in family life." They are consumed instead by overriding concerns about "self-fulfillment and egalitarianism."

Though the traditional family was the product of evolution over time, Popenoe says, the present rapid shift away from child-bearing and shared responsibilities is fundamentally different from anything that has occurred previously. "It is something unique and much more serious," he says. "It is 'end-of-the-line' family decline."

* * *

After nearly 50 years in journalism, Paul Duke, retiring moderator of *Washington Week in Review*, shared his concerns about the dumbing-down of the news business and the lowering of professional standards.

"There is a greater blurring of fact and fiction, with entertainment values frequently taking precedence over journalistic values," he told a National Press Club luncheon last month. "We're growing accustomed to a new, lower-denominator type of news programming, thus adding to the medium's sagging credibility."

Even Allen H. Neuharth, midwife of Gannett's much-copied "McPaper" — and sponsor of much that Duke deplores — admits, "I find myself still hungry for more news about some things after I read *USA Today*." But, Neuharth told an Alfred I. duPont Forum at Columbia University, "I'm the exception."

* * *

"When I was growing up, you had three networks and a neighborhood movie theater," recalls Texas writer Caroline Walker in *Texas Republic* magazine. "Tiny Tim's wedding to Miss Vickie on Johnny Carson was about as weird as things got. Oh, you had your infrequent Richard Speck or Boston Strangler, but I don't recall that either of them turned up on Ed Sullivan as guests."

Why are Clintons playing document shell game over Foster's files?

WILLIAM SAFIRE
The New York Times

What terrible secret drove Vincent Foster, the Clintons' personal lawyer, to put a bullet through his head?

When that question was posed last summer ("Was dread of further scandal a triggering cause of the apparent suicide?") Clinton aides blamed Foster's state of mind on the cruel, mean-spirited Washington press corps, with its focus on "travelgate."

Questions about a lawyer with a guilty conscience were denounced as ghoulish, the product of a conspiratorial mindset.

We subsequently learned that there was indeed a scandal brewing that involved the Clintons, a go-go banker crony who financed their Whitewater real estate deal and an S&L failure, now under criminal investigation, that cost taxpayers $60 million.

Vince Foster improperly kept the potentially damaging records of that deal in his White House office. Surely crossing his mind after the furor over the abuse of power in travel office patronage was the potential of far greater disgrace or prosecution in a money-and-influence scandal.

From the moment Foster's body was found, White House Counsel Bernard Nussbaum acted to keep those Whitewater files away from prying eyes.

The investigation was confined to the Keystone-Kop Park Police; Clinton lawyers refused to let them or the FBI see papers that might have revealed the suicide motive; and then — secretly — the files were spirited away from the White House to the president's personal lawyer.

When the existence of the hidden file came to light, the Clintons stonewalled. Hillary Rodham Clinton, attorney for the rotted-out S&L while her husband was responsible for its regulation, professed not to understand why anybody would be interested in a deal that lost them $60,000. But curiously, the Clintons never took that loss, if it existed, off their income taxes; more strangely, they wrongly took other deductions, and the lawyer who worked with Hillary on these returns was Vincent Foster.

During the '92 campaign, to cover up the messy record, Foster arranged for a lawyer to hire a Denver accountant to whitewash Whitewater; the Patten, McCarthy report omitted the largest transaction undertaken by Clinton's partnership — a half-million-dollar land purchase from a paper company to which Governor Clinton granted tax breaks.

After the mean, insensitive press raised a ruckus to produce the Whitewater files, President Clinton was forced to agree to "cooperate" with the investigation of the bank's taxpayer ripoff. He directed his personal lawyer to turn the Whitewater files over to the Justice Department — a far cry from public disclosure.

But a curious lassitude overtook Clinton Justice. The files were not turned over forthwith; instead we were told they were being "catalogued," which the White House said would take "a couple of weeks."

Only Wednesday, as this and other denunciations were being written, did one box containing Foster's files, and four boxes of backup to the accountants' whitewash, begin to get delivered.

Were the files so voluminous to require "cataloguing"? Can we be sure the documents did not get the treatment given the so-called suicide note, which appeared belatedly in 27 pieces, not one with a fingerprint, and with the signature space missing?

If I were Louis Freeh, the new FBI director chosen by Nussbaum and known as "Bernie's Good Deed," I would follow up by searching for a Foster safety deposit box or home strongbox, and would demand that Justice seek subpoenas to force the Clintons and their former law partners and accountants to produce all other relevant papers.

What could explain the Clintons' document shell game that has been going on since the discovery of Foster's body?

Actions taken by lawyer-investor Hillary Clinton in 1988, when she requested power of attorney to "manage and conduct all matters related to Whitewater Development Corp." may soon come under the statute of limitations.

Special in-house counsel? Not unless it's Robert Morgenthau; better to use this pressure for House passage of the Independent Counsel Act.

No politician is so stupid as to try to hide something when there is nothing to hide. The Clintons' pattern of behavior in Whitewatergate is that of wheeler-dealers with something serious to hide. Let's hope it's only politically embarrassing.

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WHITEWATER HEARINGS: BIG NEWS MISSED

Dan Rather set the tone for the "CBS Evening News" coverage of the Senate Whitewater hearings when, on the opening day, July 18, he reported "the launch of a new Republican *offensive*." That was his description of hearings that had been authorized two months earlier by a Senate vote of 96 to 3. He told his viewers the purpose was *"to reraise old questions,"* implying that he didn't expect them to produce much news, and reinforcing that message by relegating this opening day story to second place behind a story about Clinton again changing his position on affirmative action.

Over the next three weeks, Rather's newscasts devoted a mere 16 minutes to covering the 80 hours of Senate Whitewater hearings. While CBS reported or mentioned the hearings on 10 of the 13 days on which they were held, they were never the top story of the day on CBS or the other networks. On the final day, Rather wrapped up the story as he began it, declaring, "The Republican tag-team offensive is now winding down, at least for now."

And that was the *best* of the coverage by the three broadcast networks! ABC's "World News Tonight" with Peter Jennings reported or mentioned the Senate hearings on only 6 of the 13 days for a total of nine minutes. The "NBC Nightly News" with Tom Brokaw aired three reports and two brief mentions totaling eight minutes. PBS uncharacteristically preempted its regular programming to devote its daytime hours to live coverage of portions of three competing hearings—Senate and House on Whitewater and the House on Waco. But many public broadcasting stations did not air all or some of them. CNN squeezed in some of the hearings when it was not covering the Simpson trial live. Those who wanted to view the complete hearings on most days had to watch or tape them on C-SPAN2, beginning after the Senate adjourned at 10:00 p.m. or later.

The scant media coverage reflected the influence of White House spin: (1) Whitewater has been thoroughly covered and no new information remains to be disclosed. (2) The Clintons have "cooperated fully" in giving the Senate all relevant documents. (3) Anything pertaining to Vince Foster is ghoulish and prolongs the pain of the Foster family. (4) The hearings are politically motivated and their only purpose is to embarrass the Clintons.

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(202) 364-4401

Good example: Peter Jennings in his first report: "The public is very skeptical about these hearings. Sixty-seven percent of the people we asked in our latest ABC/Washington Post poll say the hearings are more to embarrass the President than to investigate legitimate issues."

Were These Hearings Necessary?

The purpose of the hearings was not to reraise old questions, as Dan Rather claimed. It was to seek *answers* to the questions raised by the suspicious behavior of White House officials immediately after Vincent Foster's death. The police requested that the office be secured, but three White House officials entered it and one of them allegedly removed files within hours after Foster's death. Police and Justice Department officials were barred from searching the office, prompting Deputy Attorney General Philip Heymann to ask White House Counsel Bernard Nussbaum if he was hiding something. The Senate had a duty to try to find the answer to that question.

Rather knew this. CBS correspondent Bob Schieffer said in his second-day report that the Republicans had "tried again to find out if the White House had tried to block the FBI from entering Foster's office because they were afraid they would see documents there detailing the President's involvement in the Whitewater deal." He added, "So far there is no real evidence that is what the White House was trying to do." Rather asked, "What in terms of substance have they come up with?" Schieffer assured him, "Not a lot really, but it is going to be embarrassing to the White House. Clearly on the night that Foster died, people there ran amok. No one seemed

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to be in charge. But it seems to be blunders by a lot of people that were under great stress. There is no sign yet that they really did anything illegal." Calling on the Clinton spin, he warned the Republicans against giving the impression that they were "trying to exploit the grief of the Foster family."

Will They Get Away With Perjury?

Before the hearings began, the White House handed favored reporters a few documents from Foster's files showing that he was working on Whitewater-related matters for the Clintons. They hoped this would be treated as old news when it came up in the hearings, and they weren't disappointed. The reporters didn't even ask why these documents weren't given to Independent Counsel Robert Fiske last year. His report said, "Whitewater was not an issue of any significance within the White House during that period," and it concluded that it was not a factor in Foster's death. It probably wasn't, but it was certainly on his plate.

The hearings produced evidence that the White House went to dangerous lengths to keep Foster's Whitewater file and other Clinton papers from being seen by law enforcement officers. This evidence indicates that Margaret "Maggie" Williams, the First Lady's chief of staff, risked being charged with perjury when she denied removing any documents from Foster's office the night of July 20, 1993, the day Foster died.

Henry P. O'Neill, an 18-year veteran of the uniformed Secret Service, testified that shortly after 10:40 p.m. that night he saw Bernard Nussbaum and two "figures" that he believed to be female enter the suite where the offices of Nussbaum and Foster were located. When O'Neill returned to lock the suite an hour later, he said he saw three people coming out, Nussbaum, Maggie Williams and Williams' assistant, Evelyn Lieberman. He said Williams carried a stack of folders to her office nearby, smiling as she passed him. O'Neill reported the suite locked at 11:41 p.m. He didn't disclose this until he was interviewed by the FBI in April 1994. He was very straightforward, and efforts by the Democrats to shake his testimony failed.

Williams was equally firm in denying O'Neill's story. She said, "I took nothing from Vince's office. I didn't go into Foster's office with anything in mind concerning any documents that might be in his office. I did not look at, inspect or remove any documents." Her attorney testified that two lie detector tests, one arranged by him and one by Independent Counsel Kenneth Starr at his suggestion, had shown her to be "non-deceptive" in response to questions about removal of files or papers. But Bob Novak charged in a column in The Washington Post on July 31 that she had taken "several practice tests—destroying the validity of the process."

Williams testified that Hillary Clinton had called her three times the night of Foster's death, first from the Air Force plane flying her to Little Rock, and twice after landing. Williams denied that Mrs. Clinton had asked her to do anything about any files, but her replies were less categorical and confident than her replies to earlier questions. Asked if Mrs. Clinton had referred in her phone call to any files, Williams replied, "No, she did not." Asked if Mrs. Clinton gave her any instructions to handle certain files, to remove certain files or in some way protect certain files, Williams resorted to this Clintonesque evasion: "I believe the intent of her call was to tell me that Vince Foster was dead. Past that, as I said before, I don't remember anything else in the conversation. But given the tenor of the conversation, I can't imagine that anything else was said other than that."

Williams testified that her removal of Clinton personal files from Foster's office to a closet in the residence on July 22, which was first reported on December 20, 1993 by The Washington Times, was done at Nussbaum's request. Barring the police, the FBI and the Justice Department lawyers from examining any of Foster's files or papers, Nussbaum, earlier that day, had personally inspected the files, briefly describing each one to the law enforcement officers and officials and putting them in piles, two of which were designated Foster personal and Clinton personal.

Williams testified that late that afternoon Nussbaum asked her to have the Clinton files delivered to their personal attorney, Robert Barnett. Williams said it was late, she was tired and she didn't want to wait for Barnett's messenger, so she called Mrs. Clinton in Little Rock and told her she was going to have the files stored in the residential quarters until arrangements were made for Barnett to pick them up. She said Mrs. Clinton did not object. She had no good explanation for transferring the files to a less secure area. Even Senator John Kerry (D-Mass.) said it defied common sense.

The explanation was disclosed by Tom Castleton, the intern in Nussbaum's office, and Carolyn Huber, the President's director of personal correspondence. Castleton testified that he had carried a box of files to the residence. He said Maggie Williams told him that the contents of the box had to be reviewed by Mrs. Clinton. Carolyn Huber testified that Maggie Williams "called and said that Mrs. Clinton had asked her to call me to take the papers up to the residence up in our third-floor office...." Huber said she accompanied Castleton and had him put the box in a closet.

Other White House staffers testified about Mrs. Clinton's interest in keeping Foster's files from prying eyes. Associate Counsel Steven Neuwirth testified that Nussbaum told him Mrs. Clinton had "expressed concern" about the Park Police or anyone else having "unfettered access" to the papers. He said Nussbaum had heard of these worries from Susan Thomases, a New York lawyer who is Mrs. Clinton's close friend and adviser. Another Associate Counsel, Clifford Sloan, made notes the day after Foster's death that said, "Get Maggie—go thru office—get HRC and WJC stuff." The initials are those of the First Couple.

Maggie Williams' concealment of Mrs. Clinton's role in the transfer of files from Foster's office to the residence on July 22 adds to the doubts about her denial that Mrs. Clinton asked her to go to Foster's office on the night of July 20. The hearings revealed new evidence supporting O'Neill's story that she removed file folders that night.

Search For The Smoking Gun

Deborah Gorham, Foster's secretary, testified about an odd experience she had on July 22 that indicates that Nussbaum

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5:30 p.m., 40 minutes before the Park Police found Foster's body, which would be weird, to say the least. But there are claims that the Secret Service and some people in the White House knew of Foster's death prior to 7:00 p.m, much earlier than the White House has reported. These claims are based on telephone calls made from the White House to the governor's mansion in Little Rock, from Fort Marcy to the Secret Service in the White House and from the White House to the Air Force plane carrying Mrs. Clinton to Little Rock.

The refusal of the White House to release the phone records of the times of these calls creates suspicion that the calls were made earlier than the White House wants to admit. Watkins was in a position to have access to those records. Perhaps his statement, though exaggerated, reflected knowledge that the White House was informed of Foster's death as much as 90 minutes sooner than it has publicly admitted. The media have shown no interest in this at all. The Senate committee is trying to get the records of calls to and from Mrs. Clinton, but if the media were doing their job they would press the committee to demand the release of all these records. If the White House learned of Foster's death before 7:00 p.m., the Senators should find out why the White House claims it was not informed until after 8:00 p.m. and the President wasn't informed until after 9:00 p.m.

The Note That Will Not Fly

Associate Counsel Steven Neuwirth demonstrated at the hearings how he found the torn-up note that was supposedly overlooked at the bottom of Foster's briefcase for six days. He turned the briefcase with the opening to one side. He claimed that this resulted in pieces of yellow paper falling out. It was a frustrating demonstration for those who saw it on TV, because the Senators didn't ask that scraps of paper be put in the briefcase to see if they would fall out. We conducted our own test using a similar briefcase and 27 scraps of paper on AIM's TV show. We couldn't get any scraps of paper to fly out even when we shook the briefcase while holding it in the position demonstrated by Neuwirth. No investigative reporters put Neuwirth's claim to this simple test, showing the lack of interest on the part of the media in following up disclosures at the hearings with any investigative work of their own. In the Watergate and Iran-Contra hearings, the reporting helped drive the investigations. During the Whitewater hearings there has been little reporting by the media, much less any investigation.

It is highly improbable that the note was found torn up in the briefcase. The absence of Foster's fingerprints suggests that he neither wrote nor ripped it. Suspicion that it was forged gained support from another strange incident recounted by Linda Tripp, Nussbaum's secretary. She testified that late in the evening of July 26, the day the note surfaced, she recalled Associate Counsel Cliff Sloan coming out of Nussbaum's office and asking for a typewriter. She asked why he needed a typewriter when they had five computers, but he wanted a typewriter. She pointed out it would be difficult to move one of the two typewriters in the counsel's office because the cords were taped to the floor. She said, "I offered to get him a typewriter from elsewhere. He indicated that was not some-thing he chose for me to do at that point, and he went back in the office." She said that "to her best recollection" it was Sloan, but Sloan denied being there.

Why would Nussbaum and his associate counsel need a typewriter? If they wanted to type out the text of the note, why not use Nussbaum's computer? Or, if it had to be done on a typewriter, why only one from that office? Could it be that they wanted a typewriter that Vince Foster might have used because they thought that a typed note would be better than what they had?

Cop Calls Nussbaum A Liar

Detective Peter W. Markland of the Park Police testified that at the search of Foster's office conducted by Bernie Nussbaum, he had a "clear view" of the briefcase when Nussbaum spread it open "with both hands" and said it was empty. After the note turned up, Markland said, he confronted Nussbaum and told him it would have been "impossible for him to have missed the note...and I was accusing him of lying." Markland said, "I do not believe...the note was found in the manner Mr. Nussbaum represented." The Washington Times made that the lead of its front-page story. Other papers and the networks didn't even mention it.

Nussbaum Proves It

Deborah Gorham testified that the day after the note was found, Nussbaum subjected her to an interrogation about what she had seen in Foster's briefcase, asking her the same questions many times. Gorham said she told him that she had noticed nothing but a file folder and the color yellow. She said Nussbaum asked repeatedly if it was paper, could it have been lined paper, what could it have been? She refused to speculate, telling only what she recalled seeing—the top of a file folder and the color yellow.

When questioned about this, Nussbaum denied that he had "grilled" Gorham. He claimed that he was only trying to find out if she had any information about the note, such as when Foster wrote it and when he tore it up. The trouble with that answer is that Gorham hadn't even been told that the note had been found. She obviously couldn't give him any information about a document that she didn't know existed. Was he perhaps trying to find out if she had seen enough to challenge the explanation they were planning to give on how the note had been found?

What You Can Do

Send the enclosed card to an editor of your choice. Note that large papers are more likely to print the message if you copy it (modifying or rewriting it if you wish) and send it as a letter. We are impressed by the success many of you have had in getting the cards printed. Please keep it up.

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and Williams knew that files had been removed from Foster's office. She said Nussbaum called her into Foster's office and, with Maggie Williams present, asked her "to state to him... what were the file folders that were in the file drawers that contained the President's and First Lady's personal and financial documents." When Gorham pulled out the drawer, she saw that the index she had made listing all the folders in that drawer was missing. Saying nothing about that, she began reading off the titles from the folders. Nussbaum quickly stopped her, saying he would do it himself.

This strange exercise didn't pique the curiosity of the Senators or the media. Nussbaum and Williams weren't asked to explain it, but it appears that they wanted Gorham to see that the index was missing. Perhaps they thought she would mention it, giving them an excuse for suggesting that she replace it with a new one before the police and Justice Department lawyers arrived to search the files later that day. No such request was made of her, but someone did create a replacement index, dating it that same day.

We know that because minority counsel Richard Ben-Veniste showed Gorham printouts of two indexes for that file drawer that were said to have been found by the White House in a computer in the counsel's office. One was dated July 22, 1993. Gorham denied that she created it, pointing out that it did not conform to her practice of writing each title on a single line. She also testified that she had not touched the files or the indexes in her computer after Foster's death. Ben-Veniste then showed a second index that appeared to be identical in content to the first, but was undated and had each title on a single line. Gorham would not say that it was the one she created because she could not recall all the titles she had listed.

Senator Kit Bond (R-Mo.) in questioning Gorham brought out the fact that there was a Whitewater folder in that drawer and that it was not listed on either of the indexes shown by Ben-Veniste. He read off a list of other files that were not listed that Gorham said might have been in the drawer. She said there was no reason she would have omitted listing any of the files that were in the drawer.

This suggests that on the night of Foster's death, when the window of opportunity was wide open, some folders were removed from that file drawer together with the index. The index had to be removed because it would show that folders were missing. In putting Gorham through that odd exercise, Nussbaum and Williams must have been demonstrating concern that the missing index could come to the attention of the investigators who were coming to search the office that day. The creation of an index to replace it, omitting some of the files listed on Gorham's index, would be an attempt to cover up the removal of those files.

The dated index Ben-Veniste introduced shows that someone forged a replacement for Gorham's index after Foster's death. All that is lacking is hard proof that it did not include all the files on Gorham's list. The undated index shown by Ben-Veniste raises doubts about that because Gorham could not say that it was not her original. The committee has subpoenaed the hard drive of the computer used by Gorham to see if it can retrieve her original index. If the original lists Whitewater and other files that aren't on the index dated July 22, 1993, this would be the smoking gun supporting perjury charges against Maggie Williams and cover-up charges against those who conspired to create the forged index. This could engulf the First Lady.

CBS reported that the index had disappeared but said nothing about the two forged indexes. ABC and NBC didn't even do a story on the hearings that day. The New York Times and Washington Times both said that Gorham had been unable to identify "an electronic version" of the missing index that was "found on a computer in the counsel's office," but neither mentioned the evidence indicating that those versions may be fakes that could be part of a cover up. The Washington Post story didn't even mention that an index was missing.

Foster's Supersecret NSA Binders

Deborah Gorham also revealed that Foster had given her two National Security Agency one-inch ring binders to put in the safe that was kept in Nussbaum's office. She said one was white, but she did not recall the color of the other. The NSA is a supersecret agency that has the capability of intercepting communications around the globe. Its materials carry cosmic classifications and must be kept in special high security areas and safes. This startling and puzzling revelation was made when Gorham was deposed by Senate committee investigators, but no one even mentioned it during the hearings.

Our intelligence sources say they cannot conceive of any reason why Vince Foster would have a security clearance authorizing him to hold NSA binders, and Nussbaum's safe would not qualify as a sufficiently secure repository for such material. That is shown by the fact that Patsy Thomasson, who had no security clearance at all, was able to get into the counsel's suite and rummage through Foster's papers on the night he died.

Gorham said that although she opened the safe to put in material for Nussbaum after Foster's death, she did not notice whether or not the NSA binders were still there. Why they were there or what became of them remains a mystery that should be cleared up. Rumors were already circulating that Foster was a CIA agent on the one hand and that that he was selling U.S. secrets to foreign countries on the other. His possession of NSA material will fuel such stories. If the committee does not deal with this matter openly, such rumors are bound to flourish. Reporters were able to get Gorham's deposition, but the only one to mention the NSA binders was Ambrose Evans-Pritchard of the London Sunday Telegraph.

When Did The White House Know?

Another intriguing statement in the hearings that went unnoticed was made by David Watkins, the Clinton aide in charge of White House administration. Explaining why he called his assistant, Patsy Thomasson, at 10:30 p.m. the night of Foster's death and asked her to go to Foster's office, Watkins said that he knew that the Park Police had already been in touch with the Secret Service "for some five hours." Five hours would put the first contact at

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NOTES FROM THE EDITOR'S CUFF

By Reed Irvine

AIM Report

August-B 1995

WE HAVE TRIED IN THIS REPORT TO COVER SOME OF THE MORE IMPORTANT REVELAtions that came out of the 80 hours of Whitewater hearings held by the Senate Select Committee chaired by Sen. Al D'Amato. The hearings were disappointing in that D'Amato would not permit any questions pertaining to the investigation of Foster's death. He totally accepted the judgment of the Park Police and the Fiske report that Foster killed himself in Fort Marcy Park, even though he publicly acknowledged after the hearings were recessed that the investigation had been botched, leaving many questions that should be answered. He said he planned to go into this after Kenneth Starr completes his review. He said he planned to interview experts privately and issue a report. I think that's a terrible idea. We have too much secrecy surrounding the investigation of Foster death. What is needed now is a public airing of the evidence and those unanswered questions.

D'AMATO'S HEARINGS WOULD HAVE BEEN FAR MORE PRODUCTIVE IF HE AND HIS colleagues had approached them with the understanding that the investigation of Foster's death should have followed the rule that such deaths must be treated as homicide until evidence is found that rules that out. The minority counsel, Richard Ben-Veniste, used D'Amato's acceptance of the suicide finding to deny that law enforcement officers had any right to conduct searches of Foster's office or home. The Republicans set out to show that the White House had obstructed justice by not sealing Foster's office, by not letting the police or FBI or Justice Department lawyers search it and by not allowing files and documents in the office to be examined before turning them over to the private attorneys for the Clintons and Mrs. Foster.

THE MAJORITY COUNSEL DIDN'T MAKE THE POINT THAT THE POLICE HAD THE RIGHT to demand that all these things be done because they were investigating a possible homicide. The fact that the Park Police themselves did not assert that claim was a problem. D'Amato and his colleagues should have exposed this basic error, emphasizing that this was why the investigation was botched. That would have helped the public understand that the obstruction of the investigation by the White House was a serious matter.

THE JUSTICE DEPARTMENT UNDERSTOOD THIS. DAVID MARGOLIS, ONE OF TWO HIGHranking Justice Department lawyers who were sent to the White House on July 22 to assist in the search of Foster's office, was angered by Nussbaum's refusal to let anyone else examine any documents or files. According to notes made by Michael Spafford, a lawyer who was there representing Mrs. Foster, Margolis "felt he had clear legal grounds for a subpoena, since it was a crime on federal property, and if foul play were involved he would have jurisdiction to investigate as possible assassination."

DEPUTY ATTORNEY GENERAL PHILIP HEYMANN WAS ALSO ANGRY BECAUSE HE thought he had an agreement with Nussbaum that his two attorneys would be allowed to examine the first page of each document in the office to determine if it was relevant to the case. He told Nussbaum he was going to recall the two lawyers because if they stayed "they would have no useful function, and it would simply look like they were performing a useful function, and I don't want this to happen." Nussbaum said he would call back after he consulted with someone—he didn't say who. Instead of calling back, he went ahead with his review of the papers, with the Justice Department attorneys, the police and the FBI relegated to the role of onlookers. That made Heymann even more angry. He testified, "I remember saying to him, 'Bernie, are you hiding something?' And he said, 'No, Phil, I promise you we're not hiding something.'" Heymann told the committee, "You have to, in any such situation, wonder whether it's just clumsiness and paranoia, or whether there's some other reason." Heymann subsequently resigned his post and returned to teaching at Harvard.

THE WHITEWATER HEARINGS IN BOTH THE SENATE AND HOUSE AND THE WACO hearings, all of which took place around the same time, didn't seem to do any damage to Clinton's popularity. CNN and ABC News/Washington Post polls after the hearings ended showed Clinton run-

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ning substantially ahead of Republican front-runner Bob Dole in a two-man race. This reflects the poor media coverage of the hearings that we discuss in this report. In ten days following Attorney General Meese's disclosure that money from the Reagan Administration's arms sales to Iran had been used to help the Nicaraguan freedom fighters, ABC devoted, on the average, over 80 percent of its evening news show to this story, and CBS and NBC gave it 65 percent of their time. For the 12 days of the Senate Whitewater hearings, the coverage by CBS on the evening news averaged 6 percent and on ABC and NBC 3 percent. This was for coverage of testimony that reeked of perjury by top White House officials and complicity in a conspiracy "to hide something" by those officials and those who were giving and transmitting orders. In those ten days after Meese's disclosure, I thought Reagan was going to have to resign. He weathered the storm, but he plummeted in the polls. In the wake of these sensational revelations about the Clinton White House, Clinton's poll ratings rose. Despite the disillusionment of many in the Washington press corps with Clinton, they have remarkably little interest in exposing wrongdoing in his administration.

ON JULY 27, I HAD A CALL FROM A REPORTER WITH THE NEW YORK TIMES WHO SAID he was going to shock me. He and another reporter had been assigned to do a big story on Vincent Foster's death, and he wanted some help from me. I told him there were two things that would be indispensable—a set of the two volumes of hearings issued by the Senate Banking Committee last January and a copy of what I call a concordance to those volumes prepared by Hugh H. Sprunt, Jr. of Dallas. Hugh, a Foster case buff, has organized, summarized, cross-referenced and analyzed the mass of information in the Hearings. His 161-page report is useful both to those who have the two volumes and to those who don't have the time or patience to read those 2,672 pages of hearings. It comes unbound and you can order it for the copying cost of $12.00 plus $4.00 for shipping from Bel-Jean Printing Co., 7415 Baltimore Boulevard, College Park, MD 20740, phone 301-864-6882.

WHEN I CALLED THE TIMES REPORTER TO FIND OUT WHAT HAD BECOME OF HIS FOSter story, he said the editors had rejected it because it didn't have enough new information in it. Since the Times has run almost nothing about the unanswered questions about Foster's death, it is hard to imagine any story on the subject that wouldn't be new to its readers. But since the reporters hadn't bothered to acquire copies of either the Hearings or the Sprunt report, they couldn't have done much of a story without plagiarizing what Chris Ruddy, Ambrose Evans-Pritchard and AIM have written. However, they now have both the Hearings and the Sprunt report, so they can now do a decent story if they try.

WILL THE HOUSE INVESTIGATE THE FOSTER DEATH? NEWT GINGRICH IS REPORTED to have asked Cong. Steven Schiff (R-NM), a former prosecutor, to take a careful look at the evidence in the Foster case and advise him on whether or not hearings are warranted. I have been told by a Republican Party official that there is a feeling in some quarters that if any charges are brought against Bill or Hillary Clinton now, they may succeed in getting a court to follow the precedent set in the Paula Jones suit, i.e., delaying everything until Clinton is out of office. That could explain D'Amato's odd behavior.

THE COMMUNITIES LISTED BELOW, WE ARE TOLD, NOW GET NET PROGRAMS INCLUDing AIM's "The Other Side of the Story" on their cable systems. Check the system for times.

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WAS FOSTER'S "SUICIDE" NOTE FORGED?

The Senate Whitewater hearings have devoted many hours to the so-called suicide note of former White House Deputy Counsel Vincent Foster that was allegedly found torn up in his briefcase six days after his death. The scraps of paper were allegedly found by Steven Neuwirth, a White House Associate Counsel who was boxing up Foster's personal belongings to be returned to his family. Neuwirth testified that he took the scraps to White House Counsel Bernard Nussbaum.

The note was undated and unsigned. It said nothing whatever about suicide or farewells to Foster's family. It did suggest that Foster was unhappy about criticism directed at him and the Clintons. This was accepted as evidence that Foster was sufficiently depressed to commit suicide.

The Park Police, who were investigating Foster's death, asked Sgt. Larry Lockhart, U.S. Capitol Police handwriting expert, now retired, to verify that the note was written by Foster. Lockhart was shown the note and a copy of a signed letter known to have been handwritten by Foster. He gave a written opinion that the note and the letter had probably been written by the same person.

On August 6, Reed Irvine met with Lockhart, showing him a sheet of paper with 12 words that were found in both the Foster letter (Senate Banking Committee Hearings 1994, p. 1714) and the note. They had been copied and enlarged greatly on a copying machine. Lockhart was told that these words came from two documents, neither of which was identified. He was asked if, in his professional opinion, all 12 words had been written by the same person. Lockhart proceeded to divide the words into two groups based on differences that he observed. In one group he placed four words from the letter and one from the note. In the other group he placed six words from the note and one from the letter. In other words he made only one mistake in grouping the words known to have been written by Foster and the words taken from the unsigned note. That was a capital "I" written in cursive script.

When shown blow-ups of parts of the two documents so he could see the context of the words, Lockhart said "very possibly" and "probably" the two documents were written by different persons. At that point he didn't know that he was reversing the opinion he gave the Park Police in July 1993. When that was brought to his attention he argued that Foster's handwriting could have been affected by depression or the medication he understood he was taking. The reversal of his opinion had been taped with his knowledge, but he declined to state publicly that the authenticity of the note should be rechecked, using additional documents known to have been written by Foster and employing magnification.

A few days later, another professional handwriting expert took the same test we gave Lockhart with identical results. After bringing this to the attention of the Senate Select Committee, the Justice Department and several journalists, we obtained some additional samples of Foster's handwriting and a better copy of the note than the one we copied from the August 2 Wall Street Journal. (Please turn to the Notes from the Editor's Cuff for the rest of this story.)

MEDIA SURRENDER IN THE DRUG WAR

By Cliff Kincaid

The American people have heard a lot about the book deal that House Speaker Newt Gingrich made with Rupert Murdoch's HarperCollins publishing house. But they have heard far less about what is actually in the book, *To Renew America*, in which in one of the most provocative chapters, "Ending the Drug Trade and Saving the Children," Gingrich declares the drug problem a national disgrace and offers a seven-point plan to turn the situation around, including tougher penalties for drug use, tougher sentences for drug dealers and an intensified military/intelligence effort against drug lords abroad. On July 14, during a public appearance, Gingrich discussed his views on the drug problem, saying that there should be a national referendum pitting legalizing drugs against much tougher measures. Gingrich said the latter approach, which he favored, would win with 80 percent of the vote.

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A public opinion survey issued by the Times Mirror Center for the People & The Press on June 25 indicates that Gingrich is correct. Asked what should be the nation's foreign policy priorities, 75 percent of the public said stopping international drug trafficking. This came before such other concerns as terrorism, international competitiveness, illegal immigration, the global environment, trade with Japan and the war in Bosnia.

The irony is that the Gingrich approach is not even being presented as an option by our major media. Instead, the American people are being treated to program after program endorsing a further *weakening* of our efforts. Music Television (MTV) directed such a program, titled "Straight Dope," at America's young people in August of last year, airing it no fewer than six times. Another program, this one directed at adults, was ABC's April 6 television network special, "America's War on Drugs: Searching for Solutions," which put forward a variation of drug legalization known as "harm reduction," in which the government directly dispenses or authorizes the use of currently illegal drugs such as cocaine, heroin and marijuana. The objective is to control the drug problem and reduce drug-related violence. But the show was as flawed as its producer, Jeff Diamond, the former "NBC Dateline" producer who took the blame for rigging two GM pick-up trucks in an effort to insure that they would catch fire in a crash. Dr. Herbert Kleber of the Center on Addiction and Substance Abuse at Columbia University was interviewed by correspondent Catherine Crier for over an hour and tells AIM he refuted every point that ABC tried to make. But none of his interview aired.

Thomas Constantine, director of the Drug Enforcement Administration (DEA), said a key flaw in the program was the failure to explain how such a "harm reduction" approach might work in the U.S. Would all drugs be legalized? Would they be provided to children? If not, would law enforcement still be necessary to protect them? And what would stop a black market from developing with drugs stronger or cheaper than the government-approved variety? Constantine's point was that the ABC solution would very well result in the worst of all worlds—more drug use, more law enforcement, and more drug-related violence. New York Times columnist A.M. Rosenthal called the ABC drug program "the worst effort at dealing with a major American problem ever aired" because it was stacked in favor of those advocating one form of drug legalization or another.

Cronkite's Hidden Agenda

An equally flawed program was aired on the Discovery cable channel on June 20. In this case, the narrator and executive producer was an old friend of Rosenthal—former "CBS Evening News" anchorman Walter Cronkite. Rosenthal was supposed to be a featured participant in this program, titled "The Drug Dilemma: War or Peace." The Discovery channel sent out a news release on June 2 announcing Rosenthal's participation in the show. AIM has learned that Rosenthal, a proponent of an aggressive war on drugs, was interviewed for more than an hour. But none of it aired. Sanford Socolow, an executive producer of the Cronkite show, acted surprised when we told him that we knew that Rosenthal had been interviewed for the program. While insisting the show was balanced and fair, he refused to explain why the Rosenthal interview was junked. The only authentic proponent of the war on drugs interviewed in the hour-long program was President Clinton's National Drug Policy Director, Lee P. Brown. He was given a few seconds at the end of the show to defend the prosecution of the drug war. But the use of Brown hardly makes the program objective. Brown, a former New York City police commissioner, is not considered the most articulate proponent of the anti-drug point of view. In regard to the Gingrich comments cited earlier, for example, Brown embarrassed himself by issuing a hasty press release saying that by offering two diverse options on the drug issue, the House Speaker was being "defeatist" and had "abdicated responsibility." Brown made it seem as if Gingrich was himself endorsing the legalization option. Senator Richard C. Shelby says that Brown's office has been so ineffective in the war on drugs that it should be abolished and that his $10 million budget could be better spent on drug interdiction.

Rather than being partisan by directing his fire at the House Speaker, Brown should take aim at television networks like ABC, the Discovery channel and even MTV. The Discovery channel program is particularly noteworthy because of Walter Cronkite's association with it. Once dubbed "the most trusted man in America," Cronkite still carries a lot of credibility with those members of the public unfamiliar with his real record. To be sure, Cronkite did not explicitly endorse drug legalization, per se, on the program. But he did promote the "harm reduction" option, which is generally how the legalizers are describing their approach these days, and he endorsed the formation of a high-level federal commission to re-study the issue, a long-time objective of the drug lobby. One pro-drug activist, in a message on the Internet computer network, noted, "The ABC drug legalization program...was the first major bold media step in the coming change of opinion, and this Cronkite thing was just another nudge along the way to the final destination." The activist added, "If Cronkite had come out in direct support of drug legalization, most people would have dismissed him and what he said." That made the "harm reduction" approach an absolute necessity because few people actually understand its horrifying ramifications. The "final destination," as this activist made clear, is "total drug legalization."

A Domestic Tet

Wayne Roques, former demand reduction specialist with the DEA, commented that Cronkite's reporting on drugs reminded him of how Cronkite misreported the Tet offensive in the Vietnam War as an enemy victory, when it was actually a defeat for the Communists. "His deceptive reporting helped create an anti-Vietnam atmosphere that resulted in our 'Peace with Honor' surrender," Roques said. "Now, Mr. Cronkite has applied his considerable skills and grandfatherly image to demoralizing the American people relative to the drug problem and the efforts to combat drugs in our society on behalf of the counterculture that would lead us to the abyss of drug legalization." At the end of the show, Cronkite invoked the name of former Defense Secretary Robert McNamara, an architect of our Vietnam debacle, in saying that if we don't change our approach we may one day say we were as wrong in the war on drugs as McNamara says we were wrong in Vietnam. Once again, however, Cronkite missed the point. We

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lost in Vietnam because of a failure of political will by people like McNamara and because of media misreporting by people like Cronkite! This is the same explosive mix that threatens our efforts to keep our young people drug-free. The lesson of Vietnam, which applies to the war on drugs, is that we must have the will to carry the effort forward to a successful conclusion, and that the media can't be permitted to join the enemy side.

Ironically, as Cronkite was telling the nation that we were going overboard in the war on drugs, the U.S. Sentencing Commission was acting to reduce federal penalties for dealing crack cocaine, growing marijuana plants and laundering drug money. This amazing series of actions, which has received virtually no media attention, reflects President Clinton's influence on the commission, which sets penalties for all federal crimes. The commission is now dominated by Clinton appointees. Unless Congress overturns the commission recommendations by November 1, they will go into effect. This continues a pattern of activities under the Clinton Administration that have seriously weakened America's war on drugs. To cite yet another example, Dr. Rachel Ehrenfeld, the author of two books on the drug problem, *Narco-Terrorism* and *Evil Money*, points out that, under Clinton, the Justice Department has eliminated the money-laundering section of the Criminal Division and has moved attorneys with expertise in prosecuting drug-money-laundering cases to other areas.

Big Money Backs Drug Legalization

Why are the media surrendering in the war on drugs? The Clinton Administration's backing away from the problem is certainly one factor. But another explanation is suggested in a special "action update" sent by a group called the Drug Policy Foundation (DPF) to its members around the country, attempting to solicit support for the ABC program. The DPF said the cards and letters of support, to be sent to producer Jeff Diamond, would demonstrate that there is a "large constituency" for programs like this. But the DPF "action update" was revealing for acknowledging that its own officers, members and associates were "well-represented" on the program. DPF said three members of its board and the winner of one of its DPF awards were on the program. Under these circumstances, it's no wonder the DPF liked the show. It would have been nice if ABC had been equally forthright in acknowledging that a special interest group whose leadership is committed to legalizing drugs had such a major influence in the program.

Who is behind the DPF? The answer turns out to be George Soros, a controversial billionaire who runs an offshore investment fund with financial interests as diverse as casinos and a Colombian bank previously accused of laundering drug money. Soros, who poses as a humanitarian, runs literally dozens of organizations around the world, including the Open Society Fund, headed by a former national director of the ACLU, Aryeh Neier. Why isn't ABC investigating his empire and sending a top investigative reporter to question him about his role in the drug legalization movement? This is a story that the major media are reluctant to touch. But Dr. Kleber, for one, thinks it's worth a mention. It's interesting now that Soros has put over $10 million into this legalization effort that suddenly the media have become much more sympathetic to his point of view." Most of this $10 million has gone to the DPF.

It appears that the DPF and another Soros-supported organization, Drug Strategies, were instrumental in putting together the Walter Cronkite special on the Discovery channel. Ironically, the president of Drug Strategies, Mathea Falco, was presented on the program as an opponent of drug legalization who wanted more emphasis on drug treatment. Along with Brown, she was given a few seconds at the end of the program to say negative things about legalization. But this was very misleading, if not dishonest. Falco, who served as an Assistant Secretary of State for International Narcotics Control in the Carter Administration, is not considered a hard-line opponent of drug legalization by those intimately involved in the anti-drug movement. Indeed, the Carter Administration made a name for itself with its soft-on-drugs policies.

Dr. Peter Bourne, Special Assistant to President Carter for Health Issues, testified in favor of the decriminalization of marijuana. Bourne, who later resigned following charges he had used cocaine and improperly written a prescription for a controlled substance, was a close associate of Falco. In fact, the book, *High in America: The True Story Behind NORML and the Politics of Marijuana*, says that Falco had been "put in the top drug-policy job at State" by Bourne. NORML is the acronym for the National Organization for the Reform of Marijuana Laws, at whose parties Bourne had reportedly used cocaine. Veteran anti-drug fighter Malcom Lawrence, a former foreign service officer who also worked on narcotics matters for the State Department, charges that "one of Ms. Falco's basic and long-time objectives has been the decriminalization of marijuana." For this reason, when Falco was reportedly being considered for the position now held by Lee Brown, Lawrence came out in strong opposition to her.

Cop-Killer Defender Honored

Even more significant was the role of attorney Kevin Zeese, identified as a "consultant" to the Cronkite show. Zeese, a former top official of NORML, served as a vice president and counsel to the DPF. His official biography identifies him as the author of the *Drug Testing Legal Manual 1988* and co-author of *Drug Law: Strategies and Tactics*. He is also described as the editor of criminal defense manuals "focusing on the defense of drug cases." It is not known if Zeese has personally represented drug users or dealers, but it is clear that he has been of critical assistance to lawyers who do.

At one DPF conference, Zeese presented a $10,000 cash award on behalf of the DPF to a controversial lawyer, Tony Serra. At the event, Serra said to applause from the audience that he smokes marijuana (and sometimes hashish) every day of his life. An article distributed by the American Lawyer news service said he quit his first job as a deputy district attorney and then moved to the Haight-Ashbury district of San Francisco, where "he suffered a sea change in identity" and "experimented with hallucinogenic drugs and radical philosophies." The article added, "Tony Serra likes drug dealers. He believes his murder clients are 'innocents' driven

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NOTES FROM THE EDITOR'S CUFF

By Reed Irvine

AIM Report

August-A 1995

THE LEAD STORY IN THIS ISSUE, ABOUT THE POSSIBILITY OF THE MISLABELED "suicide" note allegedly found in Vincent Foster's briefcase being a forgery, was set and ready to go to press last week when additional samples of Foster's handwriting fell into our hands. Rather than try to make space for the rest of the story in the body of the report, I decided to tell it here. Please read the story "Was Foster's 'Suicide' Note Forged?" before reading these Editor's Notes.

THE NEWLY ACQUIRED SAMPLES OF FOSTER'S HANDWRITING ARE ALL NOTES written on lined paper, as was what we will call the "torn-up note" to distinguish it from the rest. The new material shows that the letter written by Foster, which was used by the police and by us as the exemplar to determine whether the torn-up note was in his handwriting, was written with greater care than his notes. What first led us to think the note might be a forgery was the marked difference in the overall appearance of the writing.

THESE SAMPLES ALSO SHOW THAT FOSTER WAS NOT ALWAYS CONSISTENT IN THE way he wrote words. The test we gave Lockhart and our other expert relied on differences in the way Foster wrote the few words that appeared in both the letter and the torn-up note, mainly the word "the." The three "the's" found in the letter were all quite similar. It was apparent to the experts and others that the "the's" in the torn-up note differed from those in the letter. There are two "the's" in the new samples, and in my opinion they are closer to those in the letter than to those in the torn-up note, but there are differences that might cause experts to disagree. I must also point out that we now have a better photocopy of the torn-up note than the one we copied from The Wall Street Journal. Seemingly minor distortions in the old photocopy were a factor in persuading me that the note was not written by Foster.

THE CASE FOR FORGERY IS CONSIDERABLY WEAKENED BY THE NEW SAMPLES AND the improved photocopy of the note. They have convinced me that I made a mistake in thinking that Lockhart and the other expert we consulted were too conservative in saying only that it was "probable" that the two documents were written by different people. I concluded that the note was a hoax and I said so on TV, radio and in one of our syndicated columns. I should have recognized that the available evidence was not adequate to support such a serious charge. This was a mistake, and we have corrected it on our TV and radio program and in our column.

THIS DOESN'T MEAN THAT WE ARE RULING OUT THE POSSIBILITY OF FORGERY. I want to see more analysis using the new material. I think the technique we used of showing the analysts blowups of individual words and partial text must be employed in this case because the political implications of a finding of forgery are so enormous that I doubt if many experts, knowing what is involved, would want to stick their necks out. Some people are unwilling to believe that a conspiracy of this magnitude could have been engineered by anyone in the White House. Others are eager to believe it. Either way, feelings influence judgment.

I INVITE YOU TO JUDGE WHETHER THERE IS A BASIS FOR FURTHER INQUIRY INTO THE possibility that the note was a hoax. Reproduced below are five lines of handwriting, one from the torn up note, two from the new notes and two from the Foster letter. Here are some things I suggest you look at carefully: (1) capital "I's": There are none comparable to the one in line one in the other notes or the letter; (2) "the's": All "the's" that begin with a lower case "t" in the letter and new notes have two garlands (saucer-like curves) after the downstroke of the "h." Only two of the seven in the torn-up note have two garlands. Like the two in the first line, four have an acute angle instead of the first garland and one has a single garland that is barely curved; (3) the crossing of the terminal "t's": The style used in the "not" and "meant" in the first line is used on 5 of the 8 terminal "t's" in the torn-up note. It is found in only 3 of the 40 terminal "t's" in the new notes and the letter.

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I was not mad for the gov't or the spotlight.

2. Improper to reduce basis by improper tax benefit

In Rucker's view no significant

I am returning your check no. 04820598

assets & expenses were owned by

FORMER DEPUTY ATTORNEY GENERAL PHILIP HEYMANN TOLD THE SENATE WHITEwater committee that the White House handling of the Foster investigation had created a suspicion of wrongdoing even where there may have been no wrongdoing. The handling of the note has certainly provided abundant grounds for suspicion. What wrongdoing is being covered up is something for Congress and the Independent Counsel to discover. The claim that the note lay unnoticed in Foster's briefcase for three days is hard to believe. Associate White House Counsel Steven Neuwirth's claim that the pieces of yellow paper fell out of the briefcase when he turned it on end is even more unbelievable. We experimented with a very similar briefcase on our TV show, putting in scraps of paper and turning the briefcase on end. No paper fell out even when I shook the briefcase, proving once again that the pull of gravity is vertical not horizontal. The 30-hour delay in turning the note over to the police is suspicious. I haven't been able to think of any reason to refuse to release photocopies of the note other than fear that it would be subjected to independent investigation of its authenticity.

WHY WAS THE AUTHENTICATION OF THE NOTE ENTRUSTED TO SGT. LOCKHART OF the U.S. Capitol Police, not the FBI? Could Sgt. Lockhart, who worked for Congress, be expected to tell the White House that what purported to be a note written by Vincent Foster was possibly written by someone else? Sgt. Lockhart, now retired, expressed surprise that no fingerprints were found on the note. He told me that paper holds latent prints very well, sometimes for decades. It should have been possible to find Foster's finger prints all over a note that he is supposed to have written and torn into 28 pieces within a few weeks of his death. It is equally strange that no fingerprints of Bernard Nussbaum and Steven Neuwirth, the two senior White House officials who found and assembled the note, were not on a single one of the pieces that they put in place. Were they wearing gloves?

THE SECRETARIES IN THE NUSSBAUM/FOSTER OFFICE EXPRESSED DISBELIEF THAT anyone as meticulous as Foster would tear the note into little pieces and then leave it where it would be found. Equally strange is the way the note was torn. Judging from the tears shown in the photocopy, it was first torn vertically into four strips. It appears that the first two strips were then put together, perhaps folded in half, and torn horizontally into six pieces each. Then the second two strips were put together, not folded, and torn horizontally into eight pieces each. That is a very odd way of tearing up paper. I can think of no reason why Foster would want to do it that way, but I can see a reason why those who assembled it might do so. If the purpose of the exercise was to increase the credibility of the story that the scraps of paper had been overlooked, small pieces were preferable. But it would have been somewhat more difficult and messier to reassemble the entire note if it was all torn into small pieces. That might be why the strips with most of the writing was torn into larger pieces. It also appears that the horizontal tearing was designed to minimize the damage to entire lines of text. The eight horizontal tears traversed only seven words in the entire text.

THOSE SCRAPS OF YELLOW PAPER COULD BE THE KEY TO SOLVING SOME OF THE mysteries surrounding the death of Vincent Foster. The stench of perjury at the Senate Whitewater hearings was overpowering. Indictments might force out the truth.

WHAT YOU CAN DO: Two cards are enclosed, one addressed to Walter Cronkite about his program on drugs and the other for you to send to a publication of your choice about the Foster note.

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WHITEWATER HEARINGS: BIG NEWS MISSED

Dan Rather set the tone for the "CBS Evening News" coverage of the Senate Whitewater hearings when, on the opening day, July 18, he reported "the launch of a new Republican *offensive*." That was his description of hearings that had been authorized two months earlier by a Senate vote of 96 to 3. He told his viewers the purpose was *"to reraise old questions,"* implying that he didn't expect them to produce much news, and reinforcing that message by relegating this opening day story to second place behind a story about Clinton again changing his position on affirmative action.

Over the next three weeks, Rather's newscasts devoted a mere 16 minutes to covering the 80 hours of Senate Whitewater hearings. While CBS reported or mentioned the hearings on 10 of the 13 days on which they were held, they were never the top story of the day on CBS or the other networks. On the final day, Rather wrapped up the story as he began it, declaring, "The Republican tag-team offensive is now winding down, at least for now."

And that was the *best* of the coverage by the three broadcast networks! ABC's "World News Tonight" with Peter Jennings reported or mentioned the Senate hearings on only 6 of the 13 days for a total of nine minutes. The "NBC Nightly News" with Tom Brokaw aired three reports and two brief mentions totaling eight minutes. PBS uncharacteristically preempted its regular programming to devote its daytime hours to live coverage of portions of three competing hearings—Senate and House on Whitewater and the House on Waco. But many public broadcasting stations did not air all or some of them. CNN squeezed in some of the hearings when it was not covering the Simpson trial live. Those who wanted to view the complete hearings on most days had to watch or tape them on C-SPAN2, beginning after the Senate adjourned at 10:00 p.m. or later.

The scant media coverage reflected the influence of White House spin: (1) Whitewater has been thoroughly covered and no new information remains to be disclosed. (2) The Clintons have "cooperated fully" in giving the Senate all relevant documents. (3) Anything pertaining to Vince Foster is ghoulish and prolongs the pain of the Foster family. (4) The hearings are politically motivated and their only purpose is to embarrass the Clintons.

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Good example: Peter Jennings in his first report: "The public is very skeptical about these hearings. Sixty-seven percent of the people we asked in our latest ABC/Washington Post poll say the hearings are more to embarrass the President than to investigate legitimate issues."

Were These Hearings Necessary?

The purpose of the hearings was not to reraise old questions, as Dan Rather claimed. It was to seek *answers* to the questions raised by the suspicious behavior of White House officials immediately after Vincent Foster's death. The police requested that the office be secured, but three White House officials entered it and one of them allegedly removed files within hours after Foster's death. Police and Justice Department officials were barred from searching the office, prompting Deputy Attorney General Philip Heymann to ask White House Counsel Bernard Nussbaum if he was hiding something. The Senate had a duty to try to find the answer to that question.

Rather knew this. CBS correspondent Bob Schieffer said in his second-day report that the Republicans had "tried again to find out if the White House had tried to block the FBI from entering Foster's office because they were afraid they would see documents there detailing the President's involvement in the Whitewater deal." He added, "So far there is no real evidence that is what the White House was trying to do." Rather asked, "What in terms of substance have they come up with?" Schieffer assured him, "Not a lot really, but it is going to be embarrassing to the White House. Clearly on the [illegible] there ran amok. No one seemed

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to be in charge. But it seems to be blunders by a lot of people that were under great stress. There is no sign yet that they really did anything illegal." Calling on the Clinton spin, he warned the Republicans against giving the impression that they were "trying to exploit the grief of the Foster family."

Will They Get Away With Perjury?

Before the hearings began, the White House handed favored reporters a few documents from Foster's files showing that he was working on Whitewater-related matters for the Clintons. They hoped this would be treated as old news when it came up in the hearings, and they weren't disappointed. The reporters didn't even ask why these documents weren't given to Independent Counsel Robert Fiske last year. His report said, "Whitewater was not an issue of any significance within the White House during that period," and it concluded that it was not a factor in Foster's death. It probably wasn't, but it was certainly on his plate.

The hearings produced evidence that the White House went to dangerous lengths to keep Foster's Whitewater file and other Clinton papers from being seen by law enforcement officers. This evidence indicates that Margaret "Maggie" Williams, the First Lady's chief of staff, risked being charged with perjury when she denied removing any documents from Foster's office the night of July 20, 1993, the day Foster died.

Henry P. O'Neill, an 18-year veteran of the uniformed Secret Service, testified that shortly after 10:40 p.m. that night he saw Bernard Nussbaum and two "figures" that he believed to be female enter the suite where the offices of Nussbaum and Foster were located. When O'Neill returned to lock the suite an hour later, he said he saw three people coming out, Nussbaum, Maggie Williams and Williams' assistant, Evelyn Lieberman. He said Williams carried a stack of folders to her office nearby, smiling as she passed him. O'Neill reported the suite locked at 11:41 p.m. He didn't disclose this until he was interviewed by the FBI in April 1994. He was very straightforward, and efforts by the Democrats to shake his testimony failed.

Williams was equally firm in denying O'Neill's story. She said, "I took nothing from Vince's office. I didn't go into Foster's office with anything in mind concerning any documents that might be in his office. I did not look at, inspect or remove any documents." Her attorney testified that two lie detector tests, one arranged by him and one by Independent Counsel Kenneth Starr at his suggestion, had shown her to be "non-deceptive" in response to questions about removal of files or papers. But Bob Novak charged in a column in The Washington Post on July 31 that she had taken "several practice tests—destroying the validity of the process."

Williams testified that Hillary Clinton had called her three times the night of Foster's death, first from the Air Force plane flying her to Little Rock, and twice after landing. Williams denied that Mrs. Clinton had asked her to do anything about any files, but her replies were less categorical and confident than her replies to earlier questions. Asked if Mrs. Clinton had referred in her phone call to any files, Williams replied, "No, I don't recall her ..." Asked if Mrs. Clinton gave her any instructions to handle certain files, to remove certain files or in some way protect certain files, Williams resorted to this Clintonesque evasion: "I believe the intent of her call was to tell me that Vince Foster was dead. Past that, as I said before, I don't remember anything else in the conversation. But given the tenor of the conversation, I can't imagine that anything else was said other than that."

Williams testified that her removal of Clinton personal files from Foster's office to a closet in the residence on July 22, which was first reported on December 20, 1993 by The Washington Times, was done at Nussbaum's request. Barring the police, the FBI and the Justice Department lawyers from examining any of Foster's files or papers, Nussbaum, earlier that day, had personally inspected the files, briefly describing each one to the law enforcement officers and officials and putting them in piles, two of which were designated Foster personal and Clinton personal.

Williams testified that late that afternoon Nussbaum asked her to have the Clinton files delivered to their personal attorney, Robert Barnett. Williams said it was late, she was tired and she didn't want to wait for Barnett's messenger, so she called Mrs. Clinton in Little Rock and told her she was going to have the files stored in the residential quarters until arrangements were made for Barnett to pick them up. She said Mrs. Clinton did not object. She had no good explanation for transferring the files to a less secure area. Even Senator John Kerry (D-Mass.) said it defied common sense.

The explanation was disclosed by Tom Castleton, the intern in Nussbaum's office, and Carolyn Huber, the President's director of personal correspondence. Castleton testified that he had carried a box of files to the residence. He said Maggie Williams told him that the contents of the box had to be reviewed by Mrs. Clinton. Carolyn Huber testified that Maggie Williams "called and said that Mrs. Clinton had asked her to call me to take the papers up to the residence up in our third-floor office...." Huber said she accompanied Castleton and had him put the box in a closet.

Other White House staffers testified about Mrs. Clinton's interest in keeping Foster's files from prying eyes. Associate Counsel Steven Neuwirth testified that Nussbaum told him Mrs. Clinton had "expressed concern" about the Park Police or anyone else having "unfettered access" to the papers. He said Nussbaum had heard of these worries from Susan Thomases, a New York lawyer who is Mrs. Clinton's close friend and adviser. Another Associate Counsel, Clifford Sloan, made notes the day after Foster's death that said, "Get Maggie—go thru office—get HRC and WJC stuff." The initials are those of the First Couple.

Maggie Williams' concealment of Mrs. Clinton's role in the transfer of files from Foster's office to the residence on July 22 adds to the doubts about her denial that Mrs. Clinton asked her to go to Foster's office on the night of July 20. The hearings revealed new evidence supporting O'Neill's story that she removed file folders that night.

Search For The Smoking Gun

Deborah Gorham, Foster's secretary, testified about an odd experience she had on July 22 that indicates that Nussbaum

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and Williams knew that files had been removed from Foster's office. She said Nussbaum called her into Foster's office and, with Maggie Williams present, asked her "to state to him... what were the file folders that were in the file drawers that contained the President's and First Lady's personal and financial documents." When Gorham pulled out the drawer, she saw that the index she had made listing all the folders in that drawer was missing. Saying nothing about that, she began reading off the titles from the folders. Nussbaum quickly stopped her, saying he would do it himself.

This strange exercise didn't pique the curiosity of the Senators or the media. Nussbaum and Williams weren't asked to explain it, but it appears that they wanted Gorham to see that the index was missing. Perhaps they thought she would mention it, giving them an excuse for suggesting that she replace it with a new one before the police and Justice Department lawyers arrived to search the files later that day. No such request was made of her, but someone did create a replacement index, dating it that same day.

We know that because minority counsel Richard Ben-Veniste showed Gorham printouts of two indexes for that file drawer that were said to have been found by the White House in a computer in the counsel's office. One was dated July 22, 1993. Gorham denied that she created it, pointing out that it did not conform to her practice of writing each title on a single line. She also testified that she had not touched the files or the indexes in her computer after Foster's death. Ben-Veniste then showed a second index that appeared to be identical in content to the first, but was undated and had each title on a single line. Gorham would not say that it was the one she created because she could not recall all the titles she had listed.

Senator Kit Bond (R-Mo.) in questioning Gorham brought out the fact that there was a Whitewater folder in that drawer and that it was not listed on either of the indexes shown by Ben-Veniste. He read off a list of other files that were not listed that Gorham said might have been in the drawer. She said there was no reason she would have omitted listing any of the files that were in the drawer.

This suggests that on the night of Foster's death, when the window of opportunity was wide open, some folders were removed from that file drawer together with the index. The index had to be removed because it would show that folders were missing. In putting Gorham through that odd exercise, Nussbaum and Williams must have been demonstrating concern that the missing index could come to the attention of the investigators who were coming to search the office that day. The creation of an index to replace it, omitting some of the files listed on Gorham's index, would be an attempt to cover up the removal of those files.

The dated index Ben-Veniste introduced shows that someone forged a replacement for Gorham's index after Foster's death. All that is lacking is hard proof that it did not include all the files on Gorham's list. The undated index shown by Ben-Veniste raises doubts about that because Gorham could not say that it was not her original. The committee has subpoenaed the hard drive of the computer used by Gorham to see if it can retrieve her original index. If the original lists Whitewater and other files that aren't on the index dated July 22, 1993, this would be the smoking gun supporting perjury charges against Maggie Williams and cover-up charges against those who conspired to create the forged index. This could engulf the First Lady.

CBS reported that the index had disappeared but said nothing about the two forged indexes. ABC and NBC didn't even do a story on the hearings that day. The New York Times and Washington Times both said that Gorham had been unable to identify "an electronic version" of the missing index that was "found on a computer in the counsel's office," but neither mentioned the evidence indicating that those versions may be fakes that could be part of a cover up. The Washington Post story didn't even mention that an index was missing.

Foster's Supersecret NSA Binders

Deborah Gorham also revealed that Foster had given her two National Security Agency one-inch ring binders to put in the safe that was kept in Nussbaum's office. She said one was white, but she did not recall the color of the other. The NSA is a supersecret agency that has the capability of intercepting communications around the globe. Its materials carry cosmic classifications and must be kept in special high security areas and safes. This startling and puzzling revelation was made when Gorham was deposed by Senate committee investigators, but no one even mentioned it during the hearings.

Our intelligence sources say they cannot conceive of any reason why Vince Foster would have a security clearance authorizing him to hold NSA binders, and Nussbaum's safe would not qualify as a sufficiently secure repository for such material. That is shown by the fact that Patsy Thomasson, who had no security clearance at all, was able to get into the counsel's suite and rummage through Foster's papers on the night he died.

Gorham said that although she opened the safe to put in material for Nussbaum after Foster's death, she did not notice whether or not the NSA binders were still there. Why they were there or what became of them remains a mystery that should be cleared up. Rumors were already circulating that Foster was a CIA agent on the one hand and that that he was selling U.S. secrets to foreign countries on the other. His possession of NSA material will fuel such stories. If the committee does not deal with this matter openly, such rumors are bound to flourish. Reporters were able to get Gorham's deposition, but the only one to mention the NSA binders was Ambrose Evans-Pritchard of the London Sunday Telegraph.

When Did The White House Know?

Another intriguing statement in the hearings that went unnoticed was made by David Watkins, the Clinton aide in charge of White House administration. Explaining why he called his assistant, Patsy Thomasson, at 10:30 p.m. the night of Foster's death and asked her to go to Foster's office, Watkins said that he knew that the Park Police had already been in touch with the Secret Service "for some five hours." Five hours would put the first contact at

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5:30 p.m., 40 minutes before the Park Police found Foster's body, which would be weird, to say the least. But there are claims that the Secret Service and some people in the White House knew of Foster's death prior to 7:00 p.m, much earlier than the White House has reported. These claims are based on telephone calls made from the White House to the governor's mansion in Little Rock, from Fort Marcy to the Secret Service in the White House and from the White House to the Air Force plane carrying Mrs. Clinton to Little Rock.

The refusal of the White House to release the phone records of the times of these calls creates suspicion that the calls were made earlier than the White House wants to admit. Watkins was in a position to have access to those records. Perhaps his statement, though exaggerated, reflected knowledge that the White House was informed of Foster's death as much as 90 minutes sooner than it has publicly admitted. The media have shown no interest in this at all. The Senate committee is trying to get the records of calls to and from Mrs. Clinton, but if the media were doing their job they would press the committee to demand the release of all these records. If the White House learned of Foster's death before 7:00 p.m., the Senators should find out why the White House claims it was not informed until after 8:00 p.m. and the President wasn't informed until after 9:00 p.m.

The Note That Will Not Fly

Associate Counsel Steven Neuwirth demonstrated at the hearings how he found the torn-up note that was supposedly overlooked at the bottom of Foster's briefcase for six days. He turned the briefcase with the opening to one side. He claimed that this resulted in pieces of yellow paper falling out. It was a frustrating demonstration for those who saw it on TV, because the Senators didn't ask that scraps of paper be put in the briefcase to see if they would fall out. We conducted our own test using a similar briefcase and 27 scraps of paper on AIM's TV show. We couldn't get any scraps of paper to fly out even when we shook the briefcase while holding it in the position demonstrated by Neuwirth. No investigative reporters put Neuwirth's claim to this simple test, showing the lack of interest on the part of the media in following up disclosures at the hearings with any investigative work of their own. In the Watergate and Iran-Contra hearings, the reporting helped drive the investigations. During the Whitewater hearings there has been little reporting by the media, much less any investigation.

It is highly improbable that the note was found torn up in the briefcase. The absence of Foster's fingerprints suggests that he neither wrote nor ripped it. Suspicion that it was forged gained support from another strange incident recounted by Linda Tripp, Nussbaum's secretary. She testified that late in the evening of July 26, the day the note surfaced, she recalled Associate Counsel Cliff Sloan coming out of Nussbaum's office and asking for a typewriter. She asked why he needed a typewriter when they had five computers, but he wanted a typewriter. She pointed out it would be difficult to move one of the two typewriters in the counsel's office because the cords were taped to the floor. She said, "I offered to get him a typewriter from elsewhere. He indicated that was not some-thing he chose for me to do at that point, and he went back in the office." She said that "to her best recollection" it was Sloan, but Sloan denied being there.

Why would Nussbaum and his associate counsel need a typewriter? If they wanted to type out the text of the note, why not use Nussbaum's computer? Or, if it had to be done on a typewriter, why only one from that office? Could it be that they wanted a typewriter that Vince Foster might have used because they thought that a typed note would be better than what they had?

Cop Calls Nussbaum A Liar

Detective Peter W. Markland of the Park Police testified that at the search of Foster's office conducted by Bernie Nussbaum, he had a "clear view" of the briefcase when Nussbaum spread it open "with both hands" and said it was empty. After the note turned up, Markland said, he confronted Nussbaum and told him it would have been "impossible for him to have missed the note...and I was accusing him of lying." Markland said, "I do not believe...the note was found in the manner Mr. Nussbaum represented." The Washington Times made that the lead of its front-page story. Other papers and the networks didn't even mention it.

Nussbaum Proves It

Deborah Gorham testified that the day after the note was found, Nussbaum subjected her to an interrogation about what she had seen in Foster's briefcase, asking her the same questions many times. Gorham said she told him that she had noticed nothing but a file folder and the color yellow. She said Nussbaum asked repeatedly if it was paper, could it have been lined paper, what could it have been? She refused to speculate, telling only what she recalled seeing—the top of a file folder and the color yellow.

When questioned about this, Nussbaum denied that he had "grilled" Gorham. He claimed that he was only trying to find out if she had any information about the note, such as when Foster wrote it and when he tore it up. The trouble with that answer is that Gorham hadn't even been told that the note had been found. She obviously couldn't give him any information about a document that she didn't know existed. Was he perhaps trying to find out if she had seen enough to challenge the explanation they were planning to give on how the note had been found?

What You Can Do

Send the enclosed card to an editor of your choice. Note that large papers are more likely to print the message if you copy it (modifying or rewriting it if you wish) and send it as a letter. We are impressed by the success many of you have had in getting the cards printed. Please keep it up.

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NOTES FROM THE EDITOR'S CUFF

By Reed Irvine

AIM Report

August-B 1995

WE HAVE TRIED IN THIS REPORT TO COVER SOME OF THE MORE IMPORTANT REVELAtions that came out of the 80 hours of Whitewater hearings held by the Senate Select Committee chaired by Sen. Al D'Amato. The hearings were disappointing in that D'Amato would not permit any questions pertaining to the investigation of Foster's death. He totally accepted the judgment of the Park Police and the Fiske report that Foster killed himself in Fort Marcy Park, even though he publicly acknowledged after the hearings were recessed that the investigation had been botched, leaving many questions that should be answered. He said he planned to go into this after Kenneth Starr completes his review. He said he planned to interview experts privately and issue a report. I think that's a terrible idea. We have too much secrecy surrounding the investigation of Foster death. What is needed now is a public airing of the evidence and those unanswered questions.

D'AMATO'S HEARINGS WOULD HAVE BEEN FAR MORE PRODUCTIVE IF HE AND HIS colleagues had approached them with the understanding that the investigation of Foster's death should have followed the rule that such deaths must be treated as homicide until evidence is found that rules that out. The minority counsel, Richard Ben-Veniste, used D'Amato's acceptance of the suicide finding to deny that law enforcement officers had any right to conduct searches of Foster's office or home. The Republicans set out to show that the White House had obstructed justice by not sealing Foster's office, by not letting the police or FBI or Justice Department lawyers search it and by not allowing files and documents in the office to be examined before turning them over to the private attorneys for the Clintons and Mrs. Foster.

THE MAJORITY COUNSEL DIDN'T MAKE THE POINT THAT THE POLICE HAD THE RIGHT to demand that all these things be done because they were investigating a possible homicide. The fact that the Park Police themselves did not assert that claim was a problem. D'Amato and his colleagues should have exposed this basic error, emphasizing that this was why the investigation was botched. That would have helped the public understand that the obstruction of the investigation by the White House was a serious matter.

THE JUSTICE DEPARTMENT UNDERSTOOD THIS. DAVID MARGOLIS, ONE OF TWO HIGHranking Justice Department lawyers who were sent to the White House on July 22 to assist in the search of Foster's office, was angered by Nussbaum's refusal to let anyone else examine any documents or files. According to notes made by Michael Spafford, a lawyer who was there representing Mrs. Foster, Margolis "felt he had clear legal grounds for a subpoena, since it was a crime on federal property, and if foul play were involved he would have jurisdiction to investigate as possible assassination."

DEPUTY ATTORNEY GENERAL PHILIP HEYMANN WAS ALSO ANGRY BECAUSE HE thought he had an agreement with Nussbaum that his two attorneys would be allowed to examine the first page of each document in the office to determine if it was relevant to the case. He told Nussbaum he was going to recall the two lawyers because if they stayed "they would have no useful function, and it would simply look like they were performing a useful function, and I don't want this to happen." Nussbaum said he would call back after he consulted with someone—he didn't say who. Instead of calling back, he went ahead with his review of the papers, with the Justice Department attorneys, the police and the FBI relegated to the role of onlookers. That made Heymann even more angry. He testified, "I remember saying to him, 'Bernie, are you hiding something?' And he said, 'No, Phil, I promise you we're not hiding something.'" Heymann told the committee, "You have to, in any such situation, wonder whether it's just clumsiness and paranoia, or whether there's some other reason." Heymann subsequently resigned his post and returned to teaching at Harvard.

THE WHITEWATER HEARINGS IN BOTH THE SENATE AND HOUSE AND THE WACO hearings, all of which took place around the same time, didn't appear to do any damage to Clinton's popularity. CNN and ABC News/Washington Post polls after the hearings ended showed Clinton run-

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ning substantially ahead of Republican front-runner Bob Dole in a two-man race. This reflects the poor media coverage of the hearings that we discuss in this report. In ten days following Attorney General Meese's disclosure that money from the Reagan Administration's arms sales to Iran had been used to help the Nicaraguan freedom fighters, ABC devoted, on the average, over 80 percent of its evening news show to this story, and CBS and NBC gave it 65 percent of their time. For the 12 days of the Senate Whitewater hearings, the coverage by CBS on the evening news averaged 6 percent and on ABC and NBC 3 percent. This was for coverage of testimony that reeked of perjury by top White House officials and complicity in a conspiracy "to hide something" by those officials and those who were giving and transmitting orders. In those ten days after Meese's disclosure, I thought Reagan was going to have to resign. He weathered the storm, but he plummeted in the polls. In the wake of these sensational revelations about the Clinton White House, Clinton's poll ratings rose. Despite the disillusionment of many in the Washington press corps with Clinton, they have remarkably little interest in exposing wrongdoing in his administration.

ON JULY 27, I HAD A CALL FROM A REPORTER WITH THE NEW YORK TIMES WHO SAID he was going to shock me. He and another reporter had been assigned to do a big story on Vincent Foster's death, and he wanted some help from me. I told him there were two things that would be indispensable—a set of the two volumes of hearings issued by the Senate Banking Committee last January and a copy of what I call a concordance to those volumes prepared by Hugh H. Sprunt, Jr. of Dallas. Hugh, a Foster case buff, has organized, summarized, cross-referenced and analyzed the mass of information in the Hearings. His 161-page report is useful both to those who have the two volumes and to those who don't have the time or patience to read those 2,672 pages of hearings. It comes unbound and you can order it for the copying cost of $12.00 plus $4.00 for shipping from Bel-Jean Printing Co., 7415 Baltimore Boulevard, College Park, MD 20740, phone 301-864-6882.

WHEN I CALLED THE TIMES REPORTER TO FIND OUT WHAT HAD BECOME OF HIS FOSter story, he said the editors had rejected it because it didn't have enough new information in it. Since the Times has run almost nothing about the unanswered questions about Foster's death, it is hard to imagine any story on the subject that wouldn't be new to its readers. But since the reporters hadn't bothered to acquire copies of either the Hearings or the Sprunt report, they couldn't have done much of a story without plagiarizing what Chris Ruddy, Ambrose Evans-Pritchard and AIM have written. However, they now have both the Hearings and the Sprunt report, so they can now do a decent story if they try.

WILL THE HOUSE INVESTIGATE THE FOSTER DEATH? NEWT GINGRICH IS REPORTED to have asked Cong. Steven Schiff (R-NM), a former prosecutor, to take a careful look at the evidence in the Foster case and advise him on whether or not hearings are warranted. I have been told by a Republican Party official that there is a feeling in some quarters that if any charges are brought against Bill or Hillary Clinton now, they may succeed in getting a court to follow the precedent set in the Paula Jones suit, i.e., delaying everything until Clinton is out of office. That could explain D'Amato's odd behavior.

THE COMMUNITIES LISTED BELOW, WE ARE TOLD, NOW GET NET PROGRAMS INCLUDing AIM's "The Other Side of the Story" on their cable systems. Check the system for times.

AL	Huntsville	Channel 44
AZ	Scottsdale	Channel 35
CA	Danville	Channel 71
	Glendale/Burbank	Channel 6
	Ridgecrest	Channel 55
GA	Skidaway Island	Channel 25
IL	Lake Forest, Lake Bluff	Channel 56
IN	Carmel	Channel 9
KS	Lawrence	Channel 48
ME	Waterville	W41AY (broadcast)
	Waterville	Channel 41
MI	Beaver	Channel 45
	Benton Harbor	Channel 61
	Butman	Channel 36
	Chippewa	Channel 45
	Forsyth Township	Channel 13
	Jamestown	Channel 43
MI (continued)		
	Manistique	Channel 57
	Niagara, Wisconsin	Channel 33
	Olive	Channel 43
	Sage	Channel 45
	Sault Ste. Marie	Channel 54
MN	Duluth	Channel 61
	Marshall	Channel 47
MS	Grenada	Channel 57
MO	Republic	Channel 44
NJ	Paterson	Channel 37
NY	Middleton	Channel 6
UT	Provo	Channel 46
WI	Kenosha WHKE-TV	Channel 55
	Niagara, Wisconsin	Channel 33
	Rice Lake	Channel 96
	Sheboygan	Channel 20B

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NOTES FROM THE EDITOR'S CUFF

By Reed Irvine

AIM Report

June-A 1995

AT THE SHAREHOLDER MEETINGS AIM ATTENDED THIS YEAR, WE ASKED THE HEADS of the big media companies why they were ignoring the serious questions that have been raised about the death of Vincent Foster. In this issue we show the responses of Donald Graham, who has succeeded his mother, Kay, as chairman of The Washington Post Company. As of the date of the meeting, the Post had not informed its readers about the resignation of Miquel Rodriguez as the assistant independent counsel in charge of the grand jury investigation of Foster's death. He said he would "stipulate" that none of the Post directors knew who Rodriguez was when I asked for a show of hands of those who recognized the name. The only reason *he* knew was because I had written him a letter about Rodriguez.

ON JUNE 2, POST EXECUTIVE EDITOR LEN DOWNIE WROTE ME, "WE CONTINUE TO check out a large number of leads regarding the Foster death, its handling by the Clinton administration and its investigation by federal authorities and the independent counsel's office. The resignation of Miquel Rodriguez is one aspect of this that we have been looking into and with some detail." But the Post ignored the next important breaking story in the Foster case one week later when the AP reported that Starr had asked Dr. Henry C. Lee, the head of the Connecticut State Police Forensic Science Laboratory, to review the evidence in the Foster case. The AP said that Starr had appeared close to ending his probe of the Foster death a few months earlier, but that Miquel Rodriguez, the prosecutor in charge of the investigation, resigned after several witnesses complained about his tough questioning before a grand jury. It said Dr. Lee was approached by Mark Tuohey III, Starr's deputy. According to Chris Ruddy, Tuohey brought about Rodriguez's resignation by interfering with his investigation. The Post did not report this interesting development, missing another chance to tell its readers about the Rodriguez resignation.

ON JUNE 13, MARILYN THOMPSON, DEPUTY NATIONAL EDITOR OF THE POST, CAME TO our office for an hour to discuss our criticisms of the Post's coverage of this story. We described the flaws in the Park Police and Fiske investigations of the Foster death, showing that there were important questions that should have aroused interest on the part of the Post's editors. We said the Post had shown no interest in reporting facts dug up by others and little in doing its own digging. It hadn't even used the AP story on the assignment given Dr. Henry Lee. Ms. Thompson assured us that the Post has not closed its mind on this story. I said she could prove that by assigning a reporter with an open mind to cover our June 15 conference on the Foster case, even if it meant sending an intern with a tape recorder. Ms. Thompson made no promises, but she said in leaving, "You have certainly done your homework."

MIQUEL RODRIGUEZ IS NO DOUBT THE BEST INFORMED EXPERT ON THIS CASE IN THE country, and it is a shame his talents are not being utilized. Enclosed with this report are cards addressed to Ken Starr's deputy, Hickman Ewing, Jr., and Dr. Henry C. Lee suggesting that arrangements be made for Rodriguez to brief Dr. Lee and any other outside experts hired to review the evidence in the Foster case. Ewing is said to be very influential, and I am told he was very impressed by the number of cards and letters you sent to Ken Starr in April. I suggest that we impress him again, stressing the importance of allaying suspicions that another coverup is in the making. We don't need more reviews of the known evidence. What is needed are good answers to questions such as those that I have listed below. Starr and Ewing must be made to understand that the Foster case will continue to fester and undermine public confidence in the system unless they subpoena witnesses—including White House, Justice Department and FBI officials—and subject them to the tough questioning of Miquel Rodriguez before the grand jury.

1. Why weren't FBI agents ordered to investigate the crime scene promptly as a possible homicide?
2. Did anyone in the FBI point out that Foster's death should be treated as a homicide and investigated by the FBI until homicide was ruled out by the evidence?
3. Is it true, as Sgt. John Rolla of the Park Police has testified, that the FBI concurred with the Park Police judgment that this was a simple suicide early on the basis of what the Park Police told them?
4. Who made the decision that the FBI should not to assume any responsibility for the investigation?

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5. Was there any pressure from the Justice Dept. or the White House to keep the FBI out of the investigation?

6. Did the FBI ever question why the Park Police didn't ask it to handle the forensic analysis even though it has the best crime lab in the world?

7. Why were two FBI agents with little experience in homicide cases assigned to head the 7-man FBI team under Fiske?

8. Why do the FBI reports that have been made public make no reference to any efforts to ascertain where Foster spent the afternoon of the day he died, leaving us wondering if they

a. found his appointments diaries (desk and pocket)
b. found his personal book of phone numbers
c. examined the records of his phone calls
d. combed through his financial and credit card records?

9. Did the FBI try to find if there was a house or apartment available to Foster and friends for their private use as was widely rumored, and if the rumor was false, why is there no report that says so?

10. Did the FBI play down the powder burn on Foster's left index finger because it recognized that it is most unlikely that he fired the gun with both index fingers over the cylinder gap?

11. In view of the success the FBI had in using carpet fibers to solve the case of the Atlanta child murders, how can it justify Special Agent Monroe saying they didn't try to trace the carpet fibers found on most of Foster's clothing, including his underwear, because those fibers could have come from anywhere?

12. The FBI said the blond or light brown hair found on Foster's underwear could have been that of his daughter. Why didn't it check to see if the hair matched?

13. Can the FBI explain how the shot in Foster's mouth created a hole an inch and a quarter in diameter in the rear of his skull without leaving a trace of bone fragments on the ground or brain or blood splatter on the surrounding vegetation?

14. Has the FBI figured out how that shot, which it says caused Foster to fall backwards from a sitting position could have caused his eyeglasses to fly forward and end up 13 feet from his body?

15. How can the FBI be sure Foster was killed with the gun found in his hand in the absence of the fatal bullet, Foster's fingerprints, blood or unique DNA on the gun, and no evidence the gun was his?

16. Does the FBI know how Foster's head came to be moved into an upright position after his right jaw had rested against his bloody right shoulder when all the eyewitness testimony and the blood drainage tracks refute Fiske's assumption that the head was moved by one of the EMS technicians?

17. Does the FBI agree that it would be difficult for Foster to have walked more than 200 yards through Fort Marcy Park without getting any dirt or grass stains on his shoes?

18. How does the FBI explain the presence of Foster's blood on the right shoulder of his shirt, on the shirt in the area of his rib cage and even on his shoes and socks but no blood on the gun?

19. Has the FBI found any better reason to believe the gun belonged to Foster than the statement by one of his sisters that it resembled one he inherited from his father, while her son, who had fired his grandfather's guns, said he didn't remember the black handle and the dark color of the metal, and Foster's widow said the revolver he owned was silver-colored?

20. What kind of bind was Foster in that was so highly secret that his sister, Sheila Anthony, tried to arrange for him to see a psychiatrist with the understanding that there would be no records kept?

I WANT TO CALL YOUR ATTENTION TO QUESTION 10 ABOVE, WHICH SUGGESTS THAT it would have been very difficult but not impossible for Foster to fire the revolver with both his index fingers near the cylinder gap, the position assumed by the Fiske report. This corrects the claim in the April-A AIM Report that it is impossible to fire the gun holding it that way. It would clearly be impossible without first cocking the hammer. I was persuaded by a couple of gun experts who said that it couldn't be done even if the hammer was cocked. But I heard from two people who said they had done it, so I borrowed a .38 Colt revolver to try it myself. I positioned my right thumb so that when the gun was fired, the thumb would be trapped between the trigger and trigger guard above the joint just as Foster's thumb was. I tried to fire the gun by squeezing the trigger but it was impossible. Eventually I figured out how to do it. Instead of trying to squeeze the trigger, I rotated my wrist, moving my thumb along the bottom of the trigger guard, pushing the lower end of the trigger with the side of my thumb enough to trip the hammer. Therefore, I must retract the statement that it's impossible, but I can't picture Foster taking the time to figure out how to do it. He would have realized very quickly that there are ways to hold the gun that are far less awkward and that make it far easier both to aim the gun and pull the trigger. The grip indicated by the gunshot residue on both index fingers is not impossible but it is highly implausible, something the FBI agents working for Fiske surely realized. It presented a problem that was not addressed in the Fiske report.

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Screened

By: David Paynter Date: 11-18-2009

October 13, 1995

Mr. Kenneth Starr, Independent Counsel
1001 Pennsylvania Ave., N.W.
Room 490N
Washington, D.C. 20004

Ed Marten

FOIA(b)6

Dear Mr. Starr:

I personally believe that the "trial of the century" is yet to come. The media has not totally diverted my attention from the truly relevant judicial issues permeating our society.

Judge Wood should have recused himself from the Tucker ruling from day one, but as we all know, his abdication of this power would not be in the best interest of the accused; though, in the best interest of Justice.

I think where ever your investigation goes, is where you must take it. BCCI, Stephens Inc., Bush, North, Clinton, Mena, CIA, FBI: The "chips" must fall where they will fall.

The issues involved in your work transcend party politics, and I believe, are intrinsic to restoring faith in our system of governance.

Keep the faith.

Sincerely,

Edward Marten

Mark Smalley
PO Box 972
Camden ME 04843-0972
(207)236-8350

Kenneth W. Starr
Office of the Independent Counsel
10825 Financial Centre
Suite 134
Little Rock AR 72211

October 23, 1995

Dear Mr Starr,

Ambrose Evan Pritchard of the London Sunday Telegraph raises some very disturbing questions about the investigations of Robert Fiske, the FBI, U.S. Park Police and others in regards to the death of Vincent Foster.

Hugh Sprunt's CIR (Citizens Independent Report) also raises dozens of unanswered questions regarding his death.

What I see is an unbelievable reluctance on the part of Congressman and top government officials of BOTH parties to investigate FULLY the death of Vincent Foster and related topics.

I'm not interested in theories and speculations. However, as officials continue to bury this in a sea of paperwork and distraction (recent 60 Minutes story for example) the theories and speculation will wax worse and worse. The official "version" doesn't add up with the facts.

May I suggest you contact Ambrose Evan Pritchard, Hugh Sprunt, Larry Nichols or Christopher Ruddy if your office wants accurate information.

Thank you.

Sincerely,

Mark C. Smalley
Concerned U.S. Citizen

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31 Oct 95

Kenneth Starr, Esq.

Why not ask the question in your Whitewater hearing:

Why was the gun in Steven Foster's left hand, when he was actually RIGHT HANDED!

A Concerned citizen

Benjamin H. Floyd
PO Box 10049, Austin, Texas 78766
October 27, 1995

The Honorable Kenneth Starr
Office of the Independent Counsel
1001 Pennsylvania Avenue NW, suite 490-N
Washington, DC 20004

Dear Mr. Starr:

First, let me congratulate you in doing what was has be demonstrated as a necessary action in the Vince Foster case, in determining if there was a bullet at the location of the body. As many suspected, you determined that there was no bullet. I wish to urge you to continue your search into this matter. Some of the questions still to be resolved include the small caliber gunshot wound in Foster's neck; the fibers and hair that was on his clothing, including the clothing which was in Foster's car and was bundled separately by the Park police on the scene from other clothing worn by Foster; the reported phone calls about Foster's death prior to the finding of the body in the Park; and all other evidence developed by the FBI. Your use of additional forensic experts in this case, in addition to Dr. Lee, is also encouraged.

You will be performing a notable, valuable function for the whole country if you can get to the bottom of the many questions still unanswered in the Vince Foster death. I wish you every success.

Sincerely,

Benjamin H. Floyd

Dear Mr. Starr. 10/27/95

I write to encourage you to continued, aggressive investigation of the "Whitewater" and "Foster" questions that still persist.

On Rush Limbaugh yesterday, he announced the writing experts, independently of each other said the ~~the~~ suicide note was an artistic forgery. Would you like to look into it? (TRIBUNE REVIEW)

Would you subpoena Terry Nichols. Please? He has all the information you could want. Don't give up. We need to clean ourself. We need your help. We need to do it legally, and let the legal

[redacted]

Screened

By: David Paynter Date: 11-18-2009

system do its job.
If not, the only other
purge is very bad, and
the outcome isn't guaranteed.

We are following
you thanks

Wade Wiles

[redacted]

FOIA(b)6

MENA COCAINE and KENNETH STARR

by Nelson J Baker, Yale Law 1988

Yale Law Alumni have been receiving letters lately from yours truly. I have been reminding them that many handwriting experts have declared that **VINCE FOSTER'S SUICIDE NOTE IS A FORGERY.** This suggests that Bill Clinton, Yale Law 1973, murdered his oldest friend.

Bill Clinton's best friend and main campaign contributor is Daniel Lasater, who did $664 millions of Arkansas State bond business. Mr. Lasater was later imprisoned (with Bill Clinton's brother Roger) for cocaine trafficking, and his business was taken over by his chief assistant, Patsy Thomasson, who is now head of administration at the White House. **MENA**, a small town and airport in the wilds of Western Arkansas was set up by Oliver North and the CIA in the 1980s to bring in planeloads of cocaine making many people rich and powerful. Because pot is illegal and very hard to find cocaine is in demand. Mena coke was excellent quality.

DANNY CASOLARO was a reporter who was investigating the connections between Mena, BCCI, Iran Contra, Reagan's "October Surprise", Park -on - Meter Co. (which made dope-storage nose cones for Clinton's airplanes at Mena), and the ADFA (Clinton's billion dollar state bond racket). He called this network **THE OCTOPUS.** On August 10, 1991 , just as he was about to receive information linking Iran-Contra to the **INSLAW** scandal, Danny was found with his wrists slit in the bathtub of a hotel room in West Virginia. Now Danny told his family just before he died, that if he was found dead, it would be Murder, and don't let them tell you it was suicide. The Casolaro Family refused to accept the "official version" and kept pointing out all the evidence that did not support suicide. The government hired forensic scientist **HENRY LEE** to come in and do a "blood splatter analysis" of the death scene. Lee manipulated the facts to support the government version. Dr. Lee is currently conducting a "blood splatter analysis" of the **VINCE FOSTER** death scene and is expected to contradict the eyewitness testimony of 20 police, medical and emergency workers at the scene who stated that there was no blood or splatter on the vegetation around the body. Lee has been criticized for his testimony during the O.J. Simpson case. He was a central expert witness for the defense. Lee saved O.J. and now is working to save the President.

DUKE LAW graduate **KENNETH STARR** is hoping to convince the American Public that the President's best friend committed suicide in Fort Marcy Park and was not dumped there. Fort Marcy Park is about a mile from CIA headquarters. Who would dump a body so close to Langley?

According to my friend from Yale Law, Brett M. Kavanaugh, Starr's assistant, when Bill Hamilton and **INSLAW** were barking their way through the court system, their case ended up in front of **KENNETH STARR**, who was solicitor general in DC, appointed by Bush. Starr Recused himself from the case, without ever citing a reason. The **INSLAW** software was originally "mis-appropriated" on the watch of Attorney General William French Smith in the early 1980's. Guess who William French Smith's personal lawyer was at the time? **KENNETH STARR!**

11-13-95 MON.

3:30pm (LR) KWS-HE — (WDC) JB-BK

JB ... some is death related
... some is state of mind

FBI Lab Rpts
Blood - HIV?
Bullet in Park - NO
Handwriting

Carpet fibers
- Wld
- Car
- House

KWS: go find → House → How? →

Blond hair
Dtr
wife

JB - not high enough priority... will not definitively conclude story
- KWS - close Brown Law a rec? HE close
- Hamilton - 60 Minutes - Receipts, etc.

BK - ?

KWS → wants proposed plan of action...

State of mind: Swiss Bank account...

E-mails from Wld > 4 mos away

< Father's guns - trace for codicil history

Polanski missing -

180 pages - facts <sufficient>
scene/autopsy

No Analysis

State of Mind - ext 100 to 150 pages

[I read AIM article...]

⊙ "genital question" ---
<unfair shot>
must respond

→ I would like to see Knowlton Transcript---

<I can say - "I reviewed his - conducted himself in a professional manner."

KWS- we will never satisfy Ruddy, Irving, et al.

- Miguel...

4:15pm → KWS will follow up w/ Shiff tomorrow

11-13-95 Mon.

1148 (LR) HE, KS — (WDC) JB

① Colloton - has "it" under advisement -

- Sprte - JGT I followup
- AF conclusion / decision
- Concern abt WASH phase... not sympatico to WH

<Other possibility - Bennett>

② Shiff-KWS TelCon on 11-12-95 Tone: respectful & deferential

<Shiff - "want to give you a heads up">

- Will meet w/ Spkr this wk - who is getting heat - how - Inside ct - 2 witnesses (Clov / Kaswicka) -

- No one casting aspersion on you - you have biggest risk to personally.

Concern abt bonafides of: 1) FBI

2) Fairfax Co. Coroner

- No evid of violence, broken teeth...

Coroner - mistakes in past... may be here too

- "There is a chance the Spkr will want to do something."

- A lot of junk on Internet -

- You're using GJ - secret; some want more public airing...

- Congressional Hrgs - not til 1st of the yr...

If

- Kwisiewski fwd to me at some point. c: this document

FOIA # none (URTS 16371) Docid: 70105752 Page 212

· Q's not ans. — inconsistencies.
  may be useful for another fact finder to look at it.

· KWS: the 3 of us (KWS, JB, DE) would be discussing this… KWS will get back to him re: where we are, where going, etc. …

· KWS: if Congress re-examines, will be criticism … VF family, etc…

· [60 Minutes – Chris Ruddy – AP not mentioned by Shiffer…]
  KWS mentioned CR continuing

My concern – the story that Spec might want to do:
  FBI, Comey … Miguel…
  "investigate the investigators"

· KWS explained 302's – not structure of witnesses…

· If they (Congress) – will have hearings –
  · do we delay our work?

  · do we delay our report?

⊙ KS & JB – initially NO

⊙ DE – initially YES ; unless call it "Interim Report"

{Keep making distinction betw: VF deaths & VF docs …]

∑ How admit VF investigation?

∑ [illegible]

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⊙ KWS – don't write in absolutes…

· [If Rpt before hrgs, MR tailor his testimony ...]

· JB – Shiff might be interested in your timeframe on "Foster death" ...

KWS – "process question"?

⊙ Brett's work – complete draft report
– give to Bates

⊙ JB will review ...

⊙ Possibly circulate first the "factual part" of the report

→ circulate to who?

⊙ Around 150 double-spaced pages now ...

JB – will also help us concerning further investigative decisions ...

---

(3) Chertoff –

· Coleman on panel Thurs. w/ WLH –
· Right before Frans' panel

· But maybe no hurry [illegible]

FOIA # none (URTS 16371) DocId: 70105752 Page 214

yees do not
conflicts with the views of the govern-
ploys them.
r the English-only advocates cite that

ENGLISH/A4

Source: U.S. English AP

Pittsburgh Tribune-Review March 26 1996

Associated Press

reaper joins a rally in the state Capitol
testing proposed cuts in medical care for
ins to State House GOP Majority Leader

Prosecutor joins Foster death probe

By Christopher Ruddy
FOR THE TRIBUNE-REVIEW

WASHINGTON — A Tennessee federal prosecutor joined the Washington office of Independent Counsel Kenneth Starr Monday to review the death of Vincent W. Foster Jr.

Starr tapped West Tennessee Assistant U.S. Attorney Steve Parker to assist his Washington investigation, which has been examining the late deputy White House counsel's death, the Memphis Commercial Appeal reported late last week.

On July 20, 1993, Foster was found dead of an apparent self-inflicted gunshot wound to the head in a small roadside national park in McLean, Va. U.S. Park Police ruled the death a suicide, a ruling that was confirmed by Starr's predecessor, Special Counsel Robert Fiske, in a report issued on June 30, 1994.

INSIDE: Prosecution witness David Hale is sentenced and fined for fraud. — Page A3

Starr's appointment of Parker, 39, a former Memphis policeman, indicates Starr still has not accepted Fiske's conclusions. Parker's hiring also contradicts some press accounts that closure of the Foster case was imminent and appears to counter claims that Starr has been less than serious in investigating claims of foul play and a cover-up.

The Memphis paper stated that Parker, a 10-year veteran prosecutor, was selected because of his police background and his experience as a federal prosecutor dealing with homicide cases.

Hickman Ewing, Starr's deputy who has been leading the independent counsel's probe in Arkansas, told the Commercial Appeal that Foster's death "is one of the things being investigated insofar as Whitewater is concerned."

"There remains questions about Foster's death. Was it murder? Was it suicide? Either way, why?" Ewing said. Ewing is a former U.S. attorney from Memphis.

The appointment of Parker comes after continuing criticism of Starr's handling of the Foster case.

The Tribune-Review has reported on the resignation of Starr's original lead prosecutor, Miguel Rodriguez, who was probing Foster's death earlier last year after he was thwarted by higher-ups and FBI officials in conducting a full probe. Rodriguez returned to his position as an assistant U.S. attorney in Sacramento, Calif.

Rodriguez's rigorous probe ended with his grand jury cross-examination of about a dozen police and emergency workers first at the scene of Foster's death. Despite Rodriguez's departure, grand jury proceedings continued, though sources have stated they were far from thorough. The proceedings were led by Starr's then-deputy Mark Tuohey, a Washington, D.C., Democrat closely associated with the Clinton administration and another prosecutor who

PLEASE SEE PROBE/A4

ıtroduced

Woo later wrote out a detailed statement in which he said he and Aukerman spent the day target shooting and shopping for engagement rings.

They returned to a wooded field in Derry Township along Route 981 to continue target shooting. Aukerman fired the first shot and hit a pumpkin. Woo's shot grazed the bottom of the pumpkin, he told police.

Nicotine nasal spray wins FDA approval

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Prosecutor added by Starr

STARR FROM/**A1**

had never tried a case before.

Fairfax County medical examiner Dr. Donald Haut, who visited the death scene at Fort Marcy Park where Foster died, told the Tribune-Review he testified before Starr's panel after Rodriguez left in early 1994, and that he had spent approximately 20 minutes in the grand jury room undergoing what he said was perfunctory questioning by Tuohey.

Rodriguez had considered Haut a critical witness, as he was the only trained medical professional on the scene that night. But Haut's account of his grand jury treatment appears mild compared to witnesses who underwent cross- examination by Rodriguez.

One source said during Rodriguez's probe, no witness left before two hours of questioning, and one police official underwent as many as eight grueling hours of interrogation.

Legal experts say a prosecutor in a thorough grand jury probe will engage in intense cross-examination to find inconsistencies in a witness' statement or to expose a possible cover-up.

A Special Report from the Pittsburgh *Tribune-Review*

Tuesday, January 9, 1996

Did Clinton Counsel Take Part in Clean-up of Foster's Files?

By Christopher Ruddy
FOR THE TRIBUNE-REVIEW

WASHINGTON — Independent Counsel Kenneth Starr's grand jury heard testimony earlier last year suggesting that former White House lawyer William Kennedy took part in a clean-up operation of Vincent Foster's Whitewater-related files at the Rose law firm.

The testimony has taken on increased credibility in light of the release last month of Kennedy's notes of a Washington meeting in the fall of 1993 that some have interpreted as suggesting a need to "vacuum" or clean-up such files.

Kennedy's ex-wife, Gail, told Starr's Washington grand jurors in early 1995 that during the time when Whitewater first became prominent in the news, her husband, then associate White House counsel, had taken an unusual trip home from Washington to Little Rock, according to a source familiar with Starr's probe.

At the time Kennedy made the trip, Mrs. Kennedy had not yet separated from her husband. The couple divorced in August 1994.

Kennedy, according to testimony, told his wife that he was taking a break to go hunting in Arkansas, the source said. At the time, Mrs. Kennedy found that hard to believe, considering her husband's pressing duties at the White House.

Under grand jury questioning she said she had other reasons to doubt the hunting story, including knowing that during part of the trip he was at the Rose firm.

At about the time her husband was on his "hunting trip," Mrs. Kennedy told the grand jury, she spoke with a senior White House aide, also from Arkansas. The woman told Mrs. Kennedy in blunt terms that her husband had not gone to Little Rock for hunting, but instead was at Rose cleaning up Whitewater-related matters.

Mrs. Kennedy refused to reveal the aide's identity under questioning from Brett M. Kavanaugh, a junior prosecutor for Starr, who, like Starr is, handling a prosecution for the first time.

After completing her grand jury appearance, Mrs. Kennedy returned to Arkansas, but was again pressed, this time by Starr's then-deputy, Mark H. Tuohey III, to reveal the name of the White House aide. She ultimately did so reluctantly, the source said.

Kennedy resigned from the White House inner circle Nov. 18, 1994. His notes from a meeting dealing with Whitewater-related matters a year earlier became the focus of an intense confrontation recently between the White House and Senate Banking Committee, which is probing

FOIA # none (URTS 16371) DocId: 70105752 Page 217

the Clintons' dealings. Committee members sought the notes over claims of attorney-client privilege.

The November 1993 meeting took place with several White House officials and the president's private lawyer, David Kendall. Committee investigators were concerned the participants may have discussed administration plans to interfere with two federal inquiries into Whitewater-related matters after Foster's death.

The notes released by the White House last month show Kennedy wrote:

Vacuum Rose Law files WWDC (Whitewater Development Corporation) Docs—
subpoena
Documents—never go out Quietly?

Republicans interpreted the notes to mean that participants at the meeting wanted to sanitize or remove any incriminating files relating to Whitewater stored at Rose.

In a statement released by the White House, Kennedy said that the use of the term "vacuum" in the notes referred to an "information vacuum" that had stymied Clinton aides in assembling data relating to the Whitewater partnership.

If prosecutors can prove that files were destroyed or concealed from investigators as a criminal probe was about to begin, those who participated could be charged with obstruction of justice.

Starr has brought no indictments on the basis of Mrs. Kennedy's testimony, or on any such information relating to the possible destruction of Foster's files from the time it became apparent that a special counsel was to be appointed in early 1994.

Recently, the Tribune-Review reported that Starr was aware of the existence of Kennedy's notes, but did not pursue basic prosecutorial tactics by challenging Kennedy's claims of privilege to have the notes released to his investigators.

Meanwhile, two Rose law firm couriers, Jeremy Hedges and Clayton Lindsey, testified before the grand jury in Little Rock in 1994. The couriers have stated publicly that they shredded a box of documents on Feb. 3—just after Robert Fiske's appointment as special counsel—marked with the initials "VWF," for the late Vincent W. Foster. Foster, at the Rose firm, and later the White House, worked on Whitewater matters for the Clintons.

Foster, like Kennedy, Webster Hubbell, and Hillary Rodham Clinton, were all senior members of the Rose firm—and all took senior positions in Washington with the new administration in 1993.

Kennedy left the White House under a cloud, himself the focus of intense press scrutiny for, among other things, his involvement in the so-called Travelgate affair. Early in the administration, Clinton functionaries sacked the long-time staff of the travel office, putting Clinton friends in charge. The White House claimed the regular travel staff was guilty of mismanagement and possible fraud.

Kennedy received a large part of blame for the fiasco, especially after he was fingered for summoning FBI agents to the White House to open an investigation into the Travel office without proper authorization from the Justice Department or FBI officials.

Kennedy said at the time of his resignation that he was leaving to be closer to his children in Little Rock.

Within months he also rejoined the Rose firm.

WITHDRAWAL NOTICE

RG: 449 Independent Counsels

SERIES: IC Starr/Ray, FRC box 2291

NND PROJECT NUMBER: 37918 FOIA CASE NUMBER: 25720

WITHDRAWAL DATE: 11/05/2009

BOX: 00017 FOLDER: 0002 TAB: 11 DOC ID: 31295335

COPIES: 1 PAGES: 5

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

FOLDER TITLE: [Loose papers in Ewing Bx 2291 re Foster] 1/3

DOCUMENT DATE: 07/21/1995 DOCUMENT TYPE: Memorandum

FROM:

TO:

SUBJECT: Draft Foster-related Questions for P

This document has been withdrawn for the following reason(s):

FOIA(b)3 - Rule 6(e), Federal Rules of Criminal Procedure, Grand Jury

WITHDRAWAL NOTICE

"Unsolved Mysteries" to Probe Foster Death Case

The Widely acclaimed NBC program "Unsolved Mysteries" will air a segment today, Friday, March 22(8pm EST)examining the purported suicide note of the late Vincent Foster.

Oxford handwriting expert Reginald Alton and former New York homicide expert Vincent Scalice will discuss their findings the note was a forgery. Another expert will counter their conclusions. Also, Pittsburgh Tribune-Review reporter Christopher Ruddy will be featured.

Chris Ruddy is available for media interviews by calling 603-887-8885.

A Special Report from the Pittsburgh *Tribune-Review*

Wednesday, February 14, 1996 Contact: (603) 887-2445

Make-up Artist Links Clinton to Possible Cover-up

By Christopher Ruddy
FOR THE TRIBUNE-REVIEW

WASHINGTON—It is said to be one of the closely guarded secrets involving the federal probes into the death of Vincent Foster.

And for good reason: it indicates to some investigators not only that a cover-up was under way early on the night of Foster's death, but also that President Clinton may have been linked to those activities.

The secret: a make-up artist for CNN's Larry King Live program has told federal investigators that she overheard a conversation indicating Clinton was aware of Foster's death before he appeared on the King show live from the White House library.

According to a source, the make-up artist came forward in 1994 to tell her story during the latter part of Special Counsel Robert Fiske's investigation into Foster's death.

The woman told investigators that as she was applying make-up to Clinton's face at the White House—shortly before the program's 9 p.m. air time—an unidentified male presumed to be an aide notified Clinton that a note had been found in Foster's office.

The president and White House officials say that he was not notified of the death until 10 p.m., over an hour later, by Chief of Staff Mack McLarty.

White House officials also say that no officials entered Foster's office until about 10 p.m. and that no notes or documents relating to the attorney's death were found or removed from the office that evening.

The young female make-up artist has told investigators that McLarty was present when the president was informed about activities in Foster's office. She was unable to identify the man who spoke with the president.

Her account was taken seriously enough that investigators had her review photos of White House staffers. She was still unable to identify the person, the source said.

The make-up artist, who has left CNN to work in CNBC's Washington Bureau, told the Tribune-Review she could not comment on the matter.

"I usually don't discuss my clients and what goes on. It's not a good practice," she said.

Fiske issued his Foster report on June 30, 1994, concluding that there was no evidence of foul play or a cover-up of the death. The make-up artist's account was not mentioned.

A month later, two of Fiske's FBI investigators stated those conclusions for a Senate Banking Committee hearing. In neither instance did the make-up artist's account surface.

Sources close to the Senate committee probe of the death said they were not informed of the woman's claims by Fiske, or provided with her FBI statement.

Fiske released dozens of FBI statements to the committee, which have since been made public. The make-up artist's statement was not included in those released.

Her statement was considered credible by investigators because of other evidence that the White House knew earlier about the death than it claimed.

Her comments are also consis-

FOIA# none(URTS-16371) DocId: 70105752 Page 221

tent with information gathered by investigators that an intruder alarm went off in the White House counsel's office, which includes Foster's, just after 7 p.m. on the night of his death—but well before the time the White House claimed it was notified by Park Police that Foster was dead. An alarm again went off after 10 p.m., but officials claim to have been notified by then.

OFFICIAL VERSION

During a press conference the day after Foster's death, conducted by Communications Director Mark Gearan and McLarty, Gearan laid out the official White House chronology of events.

During that time, Gearan had a testy exchange with reporters, who were incredulous about the statement that it took nearly four hours to confirm Foster was dead. Foster's body was found by Park Police just after 6 p.m. Police say a single gunshot wound to the head was self-inflicted.

Gearan said that White House security aide Craig Livingstone, a political appointee of the Clintons, was notified at about 8:30 p.m. of the Foster matter, and that the White House's chief administrative officer, David Watkins, was notified about 9 p.m.

Gearan told the press: "Soon after the (Larry King) show began, we were pulled from the staff room where . . . McLarty was informed of this—that it was an unconfirmed report. In the intervening 50 or so minutes, efforts were made to both confirm and to make preliminary calls . . ."

Confirmation, Gearan said, came at 9:55 p.m., and only then was Clinton told.

The president was finishing his first hour with King when McLarty informed him of a problem, and Clinton had to renege on his offer to King to continue for an additional half-hour.

According to Newsweek, Clinton asked McLarty, "What is it? It's not Hillary or Chelsea." The two went up to the residence quarters of the White House where Clinton was told of Foster's death. "Oh no," the president reportedly cried out.

Calls to the White House and Fiske for comment on this story went unreturned.

The Tribune-Review has reported that investigators for Kenneth Starr, Fiske's successor, have said that at one point they were examining the possibility that White House officials knew about the death much earlier. Some investigators believed that the time of the official notification to the White House may have been extended to allow for unnamed officials to engage in an examination of Foster's office and possibly the crime scene before any law enforcement authorities, such as the FBI, could assert jurisdiction and secure the scene and premises.

Several points of evidence and testimony suggest that the long delay in notification of the death doesn't jibe with the facts. These include:

- Grand jury evidence turned up last year that members of the Special Forces, an elite unit of the Park Police closely associated with the White House security, were at Fort Marcy Park—where Foster's body was found—by 7 p.m. on the night of the death.
- Several accounts by police and emergency workers that demonstrate officials knew Foster was a White House official by 7 p.m. after searching his car early in the evening and finding his White House identification card.

These accounts directly contradict the testimony of other Park Police that they stumbled upon the ID after entering the car much later, at about 8:30 p.m.

- The sworn statements of two Arkansas State troopers that Chelsea Clinton's nanny, Helen Dickey, called the Arkansas governor's mansion earlier on the evening of the 20th—as early as 6 p.m Washington time—to notify Gov. Jim Guy Tucker of the death. Officials say that Foster's body was not even found until after 6 p.m.

Additionally, London's Sunday Telegraph reported a Secret Service log shows that just after 7 p.m., security officials cleared a "MIG" Group—a military intelligence group—into the White House West Wing. They met with presidential assistant Patsy Thomasson. Thomasson admitted to entering Foster's office later that night. The Secret Service told the Telegraph the MIG groups activities are classified.

FOIA#none[URTS.16371] DocId: 7010575 Page 222

Memorandum **Office of the Independent Counsel**

To : OIC, KENNETH W. STARR Date 4/3/96

From : SA FOIA(b)7 - (C)

Subject: BOB LAUCHNER

In the interview of LOUIS PAUL ROCHESTER on 22 March 1995, ROCHESTER described BOB LAUCHNER as a friend and free-lance money broker, who introduced ROCHESTER to DAN LASATER.

The following investigation was conducted by SA to locate BOB LAUCHNER:

On 23 October 1995, through a computerized telephone directory, LAUCHNER's ex-wife, KATHY LAUCHNER, was located at , which is in the Austin, Texas area.

On 9 November 1995, KATHY LAUCHNER returned the call of SA and left the message to call her on Monday, 13 November 1995.

On 13 November 1995, SA called KATHY LAUCHNER, and she gave him the telephone number of LAUCHNER's mother, MARGARIE LAUCHNER, . MARGARIE LAUCHNER would not give SA her son's telephone number, but she agreed to tell him that SA wanted to talk with him.

On 13 November 1995, BOB LAUCHNER telephoned SA at the Little Rock Office of the Independent Counsel. LAUCHNER left a message on SA voice mail that he was located in Saltillo, Mexico, telephone , and would be willing to be interviewed. SA attempted to return LAUCHNER's telephone call on three different occasions and could not reach him.

FOIA(b)7 - (C)

1-AIC COLLOTON
1-29D-OIC-35063 Sub 19
(2)

29D-OIC-LR-35063 SUB-19

SEARCHED INDEXED
SERIALIZED FILED
APR 12 1996
FBI - LITTLE ROCK

Ewing - your copy

Screened
By: David Paynter Date: 11-18-2009
FOIA # none (URTS 16371) DocId: 70105752 Page 223

On 27 march 1996, SA [redacted] attempted to contact BOB LAUCHNER at [redacted] and no one answered the call.

On 28 March 1996, SA [redacted] called [redacted] and after three attempts was able to talk with an unknown Mexican national, who said that there was no BOB LAUCHNER at that number and that there had never been a BOB LAUCHNER at that number.

On 3 April 1996, SA [redacted] contacted MARGARIE LAUCHNER at [redacted]. She said that BOB was currently living at that residence (in El Paso, Texas), but he was not at home. She provided another number where he might be reached, [redacted] SA [redacted] called that number, but no one answered.

Investigation is continuing.

FOIA(b)7 - (C)

3 Nov 95 **FAX** (202) 514-8802

TO Kenneth Starr ESQ

13 PP Follow this
2 PP Memo

FROM Gene Wheaton

PHONE/FAX

Mr. Starr,

Ref your Whitewater investigation, I felt I should make contact with you in case there is some thing I might have knowledge of which would assist you.

FOIA(b)6

I have been involved in investigating renegade covert operations related to Mena, Ark since 1987.

Additionally I was retained by PARCO Productions, and later by "Citizens For Honest Government",

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL # of pages ▶ 15

To Debbie	From Chelle
Dept./Agency	Phone #
Fax #	Fax #

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

GENE WHEATON
Tele/FAX:

Screened
By: David Paynter Date: 11-18-2009

TO: K. Starr
(202) 514-8802

5 Nov 95 2.

to make inquiries into the death of Vince Foster (I am featured on the commercial video titled "The Death of Vince Foster - What Really Happened").

I am the investigator, currently, for the family of Col. Jimmy Sabow, USMC (deceased), and the connection between his death, the diversion of dozens of C-130 and P-3A Aircraft out of military channels (investigated by Cong. Charlie Rose, D-N.C) and by DoD IG and Dept of Agriculture, and the connection to the illegal covert activities at Mena, Arkansas (which are continuing to this date).

Let me know if you would like to meet or talk further.

Best, Gene Wheaton

P.S. - Former Cong. Bill Alexander can [illegible] involvement

Consultant/Investigator

Counter-Terrorism, Assassinations, International Narcotics & Weapons Trafficking

GENE WHEATON

Tele/FAX:

FOIA(b)6

PROFESSIONAL CAPABILITIES

30 years experience as state and federal investigator and police, intelligence and security advisor to various multi-national corporations and foreign governments. During the past 17 years, specialized in marketing and managing high-tech security programs in the Middle East for governments and industry, to include contract negotiations, program evaluation and contract payments. Lived and traveled throughout that area including Iran, Afghanistan, Pakistan, Saudi Arabia, Kuwait, the United Arab Emirates, Lebanon, Jordan and Egypt as well as all of Western Europe. *Farsi* (Persian) linguist.

EXPERIENCE

1986 - Present. Self-employed as consultant on terrorism, narcotics, and security to various law firms, corporations,and private investigative agencies.

Also, Adjunct Professor (part time) for National University, Irvine/San Diego, California. Teach both undergraduate and graduate courses in Criminal Justice/Police Science.

1989 - 1992 Consulting investigator to *Families for Truth About Gander*, an organization consisting of families of U.S. soldiers killed in the crash of a charter plane in December 1985, at Gander, Newfoundland. Investigations to date have found proof that the Canadian Air Safety Board (CASB) wrote a fraudulent report stating that *wing icing* was the cause of the crash. Four years after the crash, have uncovered positive evidence that the aircraft had an on-board explosion.

1985 - 1989. Consulting investigator on the IRAN/CONTRA affair. Briefed the staffs of special prosecutor Walsh, the House/Senate Select Committee, and Pentagon officials on this investigation. As a result of these investigations, three congressional investigations and a Department of Defense criminal investigation were initiated into the *guns for drugs* aspect of the IRAN/CONTRA affair.

1985 - 1986. Vice President of National Air Cargo, an airline operating a fleet of 23 twin-engine turbo-prop cargo planes, with a staff of over 50 pilots and 30 administrative, clerical and mechanical personnel. The primary mission of the airline was support of UPS overnight package service, operating out of the UPS *hub* at Louisville airport, Kentucky.

Resume, M. GENE WHEATON

EXPERIENCE (cont'd)

1979 - 1987. *Saudi Arabia, Egypt, Pakistan.* Security advisor, consultant and marketing representative on multi-million dollar projects in the Middle East. For Bechtel Corp., designed $20 million security system for the new $5 billion Jeddah International Airport.

Negotiated, designed, and managed a sensitive security system contract with the Saudi Arabian Ministry of Defense and Aviation (MODA), including installation, operation, and multi-year add-on maintenance and training programs. As a result of customer satisfaction and close personal and professional trust, was invited back to Saudi Arabia in 1987 to evaluate security system requirements for the new Ministry of Interior headquarters complex being built in Riyadh.

Contracted with the government of Egypt to conduct a complete security survey and evaluation of Cairo International Airport. Assisted the government of Pakistan *Airport Security Force* in their counter-terrorism program. Successfully negotiated a sensitive foreign aid program with the Pakistani Ambassador, Washington, D. C. at the request of the U. S. government. Successfully arranged sale of approximately 35 OV-1 *Mohawk* aircraft to the Pakistani Air Force for Grumman Aircraft Corporation.

1971 - 1979. *Iran.* Advisor on security, police and anti-terrorism to various U.S. and pre-revolutionary Iranian government agencies. With GTE-Sylvania was member of three-man executive team to establish recruiting offices throughout Iran, to recruit electronic engineer trainees for 2MS6 telecommunications modernization program. Supervised a feasibility study to computerize the Iranian Gendarmerie; established from scratch a complete police/public safety department for Kish Island, a luxury gambling resort island in the Persian Gulf; and directed all security functions of the Iranian Air Force under a joint U.S./Iranian project code named, *IBEX*.

On the *IBEX* program, was executive assistant and director of security reporting directly to the Rockwell Vice President/Program Manager in Tehran. Was recruited by Rockwell at request of the U. S. Embassy after assassinations of the three top Rockwell managers in Iran. This billion dollar program was threatened with cancellation if another corporate employee was killed. Was totally responsible for security/safety of 150 corporate employees and their families. Also supervised design of security systems for all operational sites and aircraft of the Iranian Air Force involved in the *IBEX* program. Additionally, responsible for liaison/interface with Rockwell subcontractors including Ford Aerospace, Watkins-Johnson, E-Systems, Harris Electronics, Martin-Marrietta, and the U. S. Government. Was lead corporate representative at U. S. Embassy/corporate security planning group.

Resume, M. GENE WHEATON

EXPERIENCE (cont'd)

While working as narcotics and anti-smuggling advisor to the Imperial Iranian Gendarmerie, directed operations which resulted in the largest seizure of hard narcotics in history. Initiated the operation that resulted in the capture of escaped drug culture kingpin, Dr. Timothy Leary, in Afghanistan. Initiated and implemented programs to purchase five UH-1H *Huey* helicopters and 5000 all-terrain motorcycles for Gendarmerie forces. Conceived and negotiated program to upgrade Gendarmerie Coast Guard in Persian Gulf from one battalion consisting of 30-foot modified *Bertram* fishing boats, to three battalions of 50-foot high-speed oceangoing cutters.

1953 - 1975. *United States Government*. While serving in the military, was a criminal investigator for the U.S. Air Force Office of Special Investigations (OSI) and the U.S. Army Criminal Investigation Command (CID). Special assignments included polygraph examiner, homicide and fraud investigator and narcotics agent. Totally responsible for conducting and supervising criminal investigations, physical security surveys and upgrading security to meet DoD requirements on sensitive installations. This included all physical security requirements for the U.S. Army Logistics Center at Cam Ranh Bay, Vietnam which was the largest such center in the U.S. Army; the requirements for the Rock Island Arsenal, Illinois; and many other sensitive weapons, ammunition and nuclear storage facilities. Supervised agents and managed all resources including personnel, finances, and logistics in support of operational bases, both permanent and temporary.

Last assignment with the Department of the Army Criminal Investigation Command was Liaison officer with the Commanding General, United States Army Recruiting Command. Assisted in developing procedures for recruiting qualified personnel and preventing fraudulant enlistment/recruitment after the elimination of the United States Military Conscription (draft) Program.

EDUCATION

1975	Webster College - M.A., Public Administration
1969	University of Nebraska, Omaha - B.S., Law Enforcement and Corrections
1970 -1971	Defense Language Institute - Farsi (Persian) Language

Resume, M. GENE WHEATON

1967 - 1968	U.S. Army CID School - Polygraph Examiner, Narcotics, Criminal Investigations
1959	U.S. Air Force OSI School - Criminal Investigator - Counterintelligence
1957 - 1958	Tulsa Police Department - Police Academy

AWARDS/HONORS

1969	Alpha Kappa Delta - National Sociology Honor Society
1974	Nominee, Federal Employee of the Year, Federal Executive Board
1972	Personal Letter of Appreciation, President of the United States
1973	Legion of Merit, U.S. Army
1968	Bronze Star Medal, U.S. Army
1975	Meritorious Service Medal, U.S. Army
1968	Vietnam Cross of Gallantry with palm, former government of the Republic of Vietnam

PROFESSIONAL CERTIFICATION

- Board Certified *Police Commander*, International Association of Chiefs of Police (IACP)
- Member of Advisory Board, National Security Institute

FORMER MEMBERSHIPS

- Association of Old Crows (Military Electronics Intelligence Association)
- ASIS (American Society for Industrial Security)
- INEOA (International Narcotics Enforcement Officers Association)
- IACP (both full active and associate member)
- Society of the Pen and Sword
- Military Police Association

THE CONSPIRACY
TAPES

2/17/94

To Whom It May Concern,

Please be advised that Gene Wheaton has been hired as an Investigative Consultant by Parco Production's for our two-hour news program called, THE CONSPIRACY TAPES. Mr. Wheaton's particular area of interest is the death of Vincent Foster, President Clinton's friend and lawyer. He is part of our team of investigative consultants, working with us on our upcoming June news special, which is being produced through Tribune Entertainment, and will be airing nationally in June of 1994. (As well as locally, in New York City, on WPIX-TV)

Sincerely,

John Parsons Peditto
Executive Producer, Parco Productions

PARCO PRODUCTIONS, 2 E. East 59th Street, New York, NY 10010. Fax (USA) 212 [illegible]

Memorandum

FBI →

To : File

Date 1/25/88

From : SAC DON K. PETTUS

Subject : FRED L. HAMPTON;
ET AL;
MENA, ARK.
NARCOTICS
OO: LR

Col. TOMMY GOODWIN, ASPOL, telephonically advised as follows on 1/25/88:

→ MILTON GENE WHEATON, allegedly from Tulsa, ex-Army Intelligence, who also formerly was associated with the CHRISTIC (ph) INSTITUTE, has been making inquiries regarding possible connection of people from Mena with the Administration, and particularly, as it relates to the on-going drug investigation there. WHEATON allegedly has well known overseas connections and may have been in contact with 20/20 regarding the matter.

The Colonel indicated he is passing the information on since he is aware Federal agencies are investigating the matter.

→ * If not previously done, WHEATON should be interviewed by the appropriate agency to determine what knowledge he may have regardi a possible criminal violation.

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* They (FBI) Never interviewed me G.W.

The Motion filed by FBI w/ LHSH file

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FOIA # none (URTS 16371) DocId: 70105752 Page 232

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TERRY K. REED,

Plaintiff,

- against -

TIME WARNER, INC., TIME INC. MAGAZINE COMPANY, and RICHARD BEHAR,

Defendants.

Civil Action No. 93 Civ. 2249(WK)

DECLARATION OF GENE WHEATON

GENE WHEATON, under penalty of perjury, declares as follows:

1. For the past 30 years, I have been a state and federal investigator and police, intelligence and security advisor to various multi-national corporations and foreign governments. I attach a copy of my resume at the end of this declaration. I am fully familiar with the facts set forth herein.

2. I have been advised by Robert S. Meloni, plaintiff's attorney, that Jonathan Beaty mentioned my name in a declaration he recently submitted on behalf of the defendants Time Warner, Inc. and Richard Behar. I have known Mr. Beaty for approximately seven years. I first came into contact with him in 1987, during the Iran-Contra investigation. I had also been investigating the covert intelligence operations and other activities that had been taking place in the mid-1980s in Western Arkansas.

3. I have also read Richard Behar's April 20, 1992 article "Anatomy of Smear", which appeared in Time Magazine, concerning the covert operations in Arkansas and Terry Reed. My

intelligence background includes experience in and familiarity with counter-intelligence work. In my professional opinion, and as knowledgeable about the Mena operations as I am, that article had all the hallmarks of a disinformation tool.

4. On various occasions in 1988 and 1989, I met with Jonathan Beaty to share information with him concerning the on-going investigation I had been conducting of the covert government activities in Mena and other locations in Western Arkansas. My investigation included consulting on many occasions with State and Federal government investigators who also were investigating the same activities, including William Duncan, Russell Welch, Terry Capehart and Chuck Black.

5. During this period of time, I provided Mr. Beaty with literally hundreds of pages of documents and a wealth of information which confirmed that there were significant government intelligence agency sponsored operations taking place in Western Arkansas in support of the Nicaraguan Contras, including pilot training, arm shipments and money laundering.

6. To the extent that Mr. Behar's article entitled "Anatomy of a Smear" either states or otherwise conveys the impression that these activities did not take place in the mid-1980s in Western Arkansas, it is simply grossly inaccurate. Virtually everyone who had hands-on participation in the various official investigations of these activities, including myself, William Duncan, Russell Welch, and former Congressman Bill Alexander, among others, have concluded that there was not only

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significant covert operations in support of the Nicaraguan contras taking place in Western Arkansas, but there was a concerted effort to cover up these activities by Federal and State government officials.

7. Based on my many meetings and conversations with Jonathan Beaty prior to April 1992, I am sure Mr. Beaty was as convinced as I of the existence of these activities.

8. I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED AT RIVERSIDE COUNTY, CALIFORNIA this 3rd day of May, 1994

GENE WHEATON

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hopeful Gov. Bill Clinton signs a glove for a young

phia Phillies game

19 April 92 Dem.-Gaz. - Arkansas

Perot called Clinton about Mena inquiry

BY TERRY LEMONS AND JANE FULLERTON
Democrat-Gazette Staff Writers

Gov. Bill Clinton talked in 1988 with Ross Perot, now a potential presidential rival, about the investigation into the shadowy activities involving the Mena airport.

Clinton's office confirmed last week that the governor received a telephone call from the Texas billionaire, who expressed interest in the case. Perot said he thought there was something to the allegations of illegal activities surrounding the Polk County airport, according to the governor's office.

The Mena case involves allegations that the airport was the centerpiece of a covert staging area for smuggling drugs, guns and money in the mid-1980s to assist the Contra rebels in Nicaragua.

Federal and state officials have investigated the case, but no charges ever resulted. That led to allegations from some people that the Republican presidential administration of Ronald Reagan and George Bush – supporters of the Contras – were responsible for a cover-up.

The Mena saga has resurfaced nationally in recent weeks after Clinton's emergence as the apparent Democratic presidential nominee. Now Perot, who is considering an independent run for the White House, has also been linked to Mena.

Perot, who has investigated other controversial cases involving espionage and international intrigue, apparently was alerted to the Mena case in 1988 by Gene Wheaton, a private military investigator.

Wheaton said he became concerned about the Mena case after his research and after talking with government investigators in the case. He – along with several investigators – felt the U.S. attorney's office and a federal grand jury in Fort Smith weren't handling the case properly.

Wheaton said he had dealt with Perot previously, so he contacted Perot about Mena on Jan. 28, 1988.

"I called him and told him the federal grand jury wasn't doing anything," Wheaton said in a telephone interview from his California home.

Perot was concerned about the situation and called Clinton, Wheaton said. Perot then

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- Clinton comes home 22A
- Clinton in Pennsylvania 22A
- Staff serves governor well 22A
- National media haunt LR 23A

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dum before the document comes up for a final vote at the next Congress session in the fall.

Yeltsin did not attend Saturday's debate. His supporters were openly scornful of the 1,046-member Congress, dominated by former Communists who have criticized his economic reforms and tried to trim his powers since the session began on April 6.

"The Congress has improved substantially in the

RUSSIA, Page 15A

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Perot

• Continued from Page One

called Wheaton back on Jan. 29, 1988.

According to Wheaton's notes of the telephone call, "Perot says he has briefed Gov. Clinton and 'everybody else' and nobody can stop investigation now that it's out in open."

Perot did not respond last week to phone calls and written questions submitted by the *Arkansas Democrat-Gazette* to his Dallas office.

But Clinton's office confirmed the governor had talked to Perot about Mena.

"Perot talked about his interest in (U.S. Rep. Bill) Alexander's work on the Mena airport and his own feeling that there was something to it," the governor's office said in a written statement.

Clinton remembers Perot calling a "couple of times," once involving enrolling a student at the University of Arkansas, governor's office spokesman Mike Gauldin said. In the Mena discussion, Perot did not offer any money or other assistance in the case, Clinton's statement said.

"Clinton assured him that state police would continue to pursue the case," the statement concluded.

Investigation

The Arkansas State Police investigated aspects of the Mena case. Alexander, a Democratic congressman representing Northeast Arkansas, also has been active in the Mena investigation.

Wheaton said he also briefed Alexander about Mena in September 1988 – a few months after the federal grand jury failed to return indictments in the case.

According to Wheaton, Alexander later met with Clinton about Mena. Alexander said following the meeting that state money would be available for the investigation, Wheaton said.

Clinton has said he made $25,000 in state money available in 1988 and directed state police Col. Tommy Goodwin to offer the money to Polk County authorities. But Joe Hardegree, then Polk County's prosecuting attorney, said he never received the offer.

Ross Perot

The *Democrat-Gazette* submitted written questions to Alexander last week about his meetings with Wheaton and Clinton, along with other aspects of the case. The congressman declined comment, citing an ongoing investigation by Lawrence Walsh, the independent federal counsel examining the Iran-Contra affair and the Mena case.

"At some point Congressman Alexander would be glad to answer any and all questions involving Mena, but at this time, while there is an active investigation going on, the congressman believes that it would be in the best interest of the investigation not to comment," his office said in a written statement.

Perot Involvement

Perot has seen his share of investigation and involvement in several prominent cases with international political implications:

• For years, he has examined the mystery of American prisoners of war in Southeast Asia.

• He hired a commando unit in 1979 to rescue two of his employees taken hostage in Iran.

• He and his representatives have inquired about the October Surprise, the allegation that Reagan and Bush secretly conspired to keep Americans hostage in Iran to help defeat President Jimmy Carter in 1980.

Last week, the *Wall Street Journal* reported that in February Perot sent his general counsel and two pilots to interview a Missouri prison inmate about Bush's role in the October Surprise.

"The Missouri episode ... illustrates Mr. Perot's hands-on style and his penchant for conspiracy theories," the *Journal* said.

Chunks of celebrated Route 66 go on sale

The Associated Press

WILLIAMS, Ariz. – Part of Route 66, celebrated in song and in a television series, is for sale.

Chunks of concrete from the original highway went on sale this week for $4.66 – or $8.60 through the mail.

"You put your hand on this and you can just feel those Dust Bowl people heading west to California," said Teri Cleeland, an archaeologist for Kaibab National Forest who came up with the idea.

Just 1,000 concrete chips – about 3 inches long and about half as wide – are available through the Williams Historic Preservation Commission, as part of celebrations marking 68 years of Route 66 in northern Arizona.

Road crews dug up the concrete four years ago to make way for new pavement, Cleeland said.

Proceeds from the sale will pay to renovate an old freight depot in Williams into a Route 66 museum, Cleeland said.

Commissioned in 1926, Route 66 stretched from Chicago to Santa Monica, Calif., running through Williams.

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This is connected to the death of Col. Jimmy Sabow, USMC — + Mena Ops

Hemet (CA) News 7 Oct 95

Forest Service confiscates airplanes

Hemet Flying Service to lose at least one aircraft

by SCOTT SONNER
The Associated Press

WASHINGTON — The Forest Service has been ordered to confiscate 35 airplanes it traded to private firefighting contractors in an unusual case one congressman says involved CIA missions in the Persian Gulf.

Hemet Valley Flying Service, owned by Hemet City Councilman Jim Venable, was the recipient of at least one of the planes. Venable was out of town and unavailable for comment Friday.

Two of the former military planes were the target of a congressional hearing in 1993 after they turned up hauling cargo for pay in Kuwait in 1991 following the war in Iraq.

In a letter The Associated Press obtained Friday, the General Services Administration said the aircraft should never have been turned over to Forest Service contractors.

Former Forest Service Chief Dale Robertson told Congress in 1993 that "mistakes were made" but no laws broken when 23 C-130 Air Force cargo planes and 12 P-3A Navy planes were transferred to the Forest Service, then into the hands of preferred contractors at below-market prices.

But the GSA told the Forest Service in the Sept. 21, 1995 letter that a federal probe in Arizona has produced evidence that the exchange program was illegal.

"Based upon information received from the United States attorney in Tucson, we have determined that the Forest Service illegally removed these aircraft from its inventory," said the letter by Peggy Lowndes, chief of the GSA's property management branch in San Francisco.

"Since the exchanges of these aircraft were not performed legally, these aircraft are still the property of the Forest Service. You should take immediate action to bring them under your control and place them back on your property account," Lowndes wrote to Ron Hooper, Forest Service deputy for procurement and property.

Lowndes declined to comment Friday, citing the sensitive nature of the ongoing criminal investigation.

The letter from Lowndes to Ron Hooper, Forest Service deputy for procurement and property, indicated a carbon copy was sent to Assistant U.S. Attorney Claire Lefkowitz in Tucson, Ariz.

Lefkowitz did not immediately return telephone calls on today.

The Justice Department began investigating in 1993, according to Assistant Agriculture Secretary James Lyons, but has brought no charges or indictments.

The planes were to be used only for fighting forest fires, but Lyons acknowledged during a congressional hearing in August 1993 that several of the planes wrongly flew supply missions in Kuwait during the Desert Storm operation.

Neither the Forest Service nor Justice Department had any immediate comment Friday.

Rep. Charlie Rose, D-N.C., former chairman of the House Agriculture subcommittee on forestry, said during the hearing he was convinced the CIA was running covert operations with the planes, saying, "This situation stinks to high heaven."

The planes, considered military surplus and valued at $65 million to $80 million, were given free of charge to Forest Service contractors that had given their own planes to government museums as historic aircraft.

Recipients included: T&G Aviation Inc. of Chandler, Ariz.; Hawkins & Powers Aviation Inc., of Greybull, Wyo.; Hemet Valley Flying Service of Hemet, Calif.; T.B.M. Inc. of Tulare, Calif.; and Aero Union Corp. of Chico, Calif.

Spokespersons for all five companies said they had not seen the GSA letter and had no immediate comment.

Agriculture Department investigators said in a November 1992 audit that Roy D. Reagan of Medford, Ore., who arranged most of the plane swaps, made more than $1 million in reselling four of the aircraft.

Calls to Reagan's listed number in Medford Friday got an automated recording that asked for the entry of an access code.

Rep. Curt Weldon, R-Pa., said in 1993 he wanted to know whether the Forest Service had anything to do with a C-130 cargo plane that crashed in Angola June 10, 1991, on a mission "supposedly" providing relief supplies."

His nephew, Rob Weldon, was on board the plane and died.

Reagan's name shows up in FAA list of C-130's out of Mena (2)

Mena Ark Connection (Hendricks)

Painted with St. Lucia Airlift tail # & Control Patrick Reno by Iran-Contra Weapons Hauler

I've been helping Cong. Rose's office on the C-130 investigation

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