THE CURRENT IMPLEMENTATION OF THE INDEPENDENT COUNSEL ACT VOLUME 2

HEARINGS

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

DECEMBER 9 AND 10, 1997

Serial No. 105–89

Printed for the use of the Committee on Government Reform and Oversight



U.S. GOVERNMENT PRINTING OFFICE

47–117 CC WASHINGTON : 1998

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-057291-6

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

DAN BURTON, Indiana, *Chairman*

BENJAMIN A. GILMAN, New York
J. DENNIS HASTERT, Illinois
CONSTANCE A. MORELLA, Maryland
CHRISTOPHER SHAYS, Connecticut
STEVEN SCHIFF, New Mexico
CHRISTOPHER COX, California
ILEANA ROS-LEHTINEN, Florida
JOHN M. McHUGH, New York
STEPHEN HORN, California
JOHN L. MICA, Florida
THOMAS M. DAVIS, Virginia
DAVID M. McINTOSH, Indiana
MARK E. SOUDER, Indiana
JOE SCARBOROUGH, Florida
JOHN B. SHADEGG, Arizona
STEVEN C. LaTOURETTE, Ohio
MARSHALL "MARK" SANFORD, South Carolina
JOHN E. SUNUNU, New Hampshire
PETE SESSIONS, Texas
MICHAEL PAPPAS, New Jersey
VINCE SNOWBARGER, Kansas
BOB BARR, Georgia
DAN MILLER, Florida

HENRY A. WAXMAN, California
TOM LANTOS, California
ROBERT E. WISE, JR., West Virginia
MAJOR R. OWENS, New York
EDOLPHUS TOWNS, New York
PAUL E. KANJORSKI, Pennsylvania
GARY A. CONDIT, California
CAROLYN B. MALONEY, New York
THOMAS M. BARRETT, Wisconsin
ELEANOR HOLMES NORTON, Washington, DC
CHAKA FATTAH, Pennsylvania
ELIJAH E. CUMMINGS, Maryland
DENNIS J. KUCINICH, Ohio
ROD R. BLAGOJEVICH, Illinois
DANNY K. DAVIS, Illinois
JOHN F. TIERNEY, Massachusetts
JIM TURNER, Texas
THOMAS H. ALLEN, Maine
HAROLD E. FORD, JR., Tennessee

BERNARD SANDERS, Vermont
(Independent)

KEVIN BINGER, *Staff Director*
RICHARD D. BENNETT, *Chief Counsel*
WILLIAM MOSCHELLA, *Deputy Counsel and Parliamentarian*
JUDITH McCOY, *Chief Clerk*
PHIL SCHILIRO, *Minority Staff Director*

CONTENTS

	Page
Hearings held on December 9 and 10, 1997	
Volume 2—December 10, 1997	1
Statements of:	
Smaltz, Donald C., Independent Counsel, Office of the Independent Counsel	54
Letters, statements, etc., submitted for the record by:	
Bennett, Richard D., chief counsel, Committee on Government Reform and Oversight, exhibit 296	211
Buford, C. Douglas, Jr.:	
Deposition of	1103
Exhibits to deposition	1130
Burton, Hon. Dan, a Representative in Congress from the State of Indiana, Smaltz exhibits 1 through 9	82
Cox, Hon. Christopher, a Representative in Congress from the State of California, documents discussed during the hearing	279
Freeh, Louis J., Director, Federal Bureau of Investigation:	
Information concerning possible violations of law	38
Number of FBI agents working on Campcon Investigation	16
Lindsey, Bruce R.:	
Deposition of	927
Exhibits to deposition	1006
Kantor, Mickey:	
Deposition of	1142
Exhibits to deposition	1184
McLarty III, Thomas Franklin:	
Deposition of	815
Exhibits to deposition	879
Mercer, David:	
Deposition of—Volume 1	407
Deposition of—Volume 2	457
Exhibits to deposition—Volume 1	448
Exhibits to deposition—Volume 2	527
Mica, Hon. John L., a Representative in Congress from the State of Florida, letter dated December 10, 1997	251
Phillips, John R.:	
Deposition of	1222
Exhibits to deposition	1264
Shadegg, Hon. John, a Representative in Congress from the State of Arizona, March 3, 1997, press conference of Vice President Gore	3
Smaltz, Donald C., independent counsel, Office of the Independent Counsel:	
Letter dated June 19, 1997	231
Prepared statement of	57
Speech from the Corporate Crime in America conference	258
Thornberry, Betty Jane:	
Deposition of	639
Exhibits to deposition	676
Weymouth, Holli B.:	
Deposition of	301
Exhibits to deposition	359

THE CURRENT IMPLEMENTATION OF THE INDEPENDENT COUNSEL ACT

VOLUME 1

December 9, 1997, hearing

VOLUME 2

December 10, 1997, hearing, and depositions from the December 9 and 10, 1997, hearings

THE CURRENT IMPLEMENTATION OF THE INDEPENDENT COUNSEL ACT
VOLUME 2

WEDNESDAY, DECEMBER 10, 1997

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room 2154, Rayburn House Office Building, Hon. Dan Burton (chairman of the committee) presiding.

Present: Representatives Burton, Gilman, Cox, Horn, Mica, Davis of Virginia, McIntosh, Shadegg, Sununu, Pappas, Barr, Lantos, Barrett, Norton, Cummings, Kucinich, Turner and Allen.

Staff present: Kevin Binger, staff director; Richard Bennett, chief counsel; Barbara Comstock, senior investigative counsel; Judith McCoy, chief clerk; Teresa Austin, assistant clerk/calendar clerk; William Moschella, deputy counsel and parliamentarian; Will Dwyer, director of communications; Ashley Williams, deputy director of communications; Dudley Hodgson, chief investigator; Dave Bossie, oversight coordinator; Robert Rohrbaugh, James C. Wilson, Uttam Dhillon, and Tim Griffin, senior investigative counsels; Charli Coon, Kristi Remington, Bill Hanka, and Jennifer Safavian, investigative counsels; Phil Larsen, investigative consultant; Jim Schumann, Jason Foster, and Miki White, investigators; Robin Butler, office manager; Carolyn Pritts, David Jones, and John Mastranadi, investigative staff assistants; Phil Barnett, minority chief counsel; Kenneth Ballen, minority chief investigative counsel; Agnieszka Fryszman, Andrew McLaughlin, Michael Raphael, and Michael Yang, minority counsels; Ellen Rayner, minority chief clerk; Becky Claster and Andrew Su, minority staff assistants; and Sheridan Pauker, minority research assistant.

Mr. BURTON. The committee will resume its deliberations.

Good morning, Mr. Lantos.

Mr. LANTOS. Good morning.

Mr. BURTON. Mr. Barrett has a preliminary question. We'll grant him a brief moment.

Mr. BARRETT. Thank you, Mr. Chairman.

Mr. Chairman, I want to begin, yesterday in our hearing we had a motion to send some depositions over to the Justice Department. I support that. At the time we had the vote, the issue really was whether there was going to be disclosure of all depositions, which is, of course, something we support at this time.

But when I looked at the motion, that is something that I do support. I think that in order to move the investigation forward, those depositions should be going to the Justice Department. So I just wanted to make that statement for the record.

Mr. BURTON. The gentleman's statement will be included in the record.

Mr. SHADEGG. Mr. Chairman, point of personal privilege.

Mr. BURTON. The gentleman will state his point.

Mr. SHADEGG. Yesterday I made reference to the press conference which Vice President Gore held on Monday, March 3, 1997. I did not ask unanimous consent to have it inserted into the record. I'd like to do that at this time.

Mr. BURTON. Without objection.

[The information referred to follows:]

U.S. Newswire
Copyright 1997

Monday, March 3, 1997

Transcript of White House Briefing by Vice President Gore (1 of 2)

WASHINGTON, March 3 /U.S. Newswire/ -- Following is a transcript of a press briefing by Vice President Gore (1 of 2):

The Briefing Room

5:14 P.M. EST

VICE PRESIDENT GORE: Good afternoon. Thank you all for coming. Mike was out here a little bit earlier and I noticed you had a number of questions for him about my role in the campaign, so I thought it would be a good idea for me to come down and answer your questions. I want to make a short opening statement, and then I'll be happy to take your questions.

First of all, I want to spell out the facts of my role in the campaign. First of all, to state the obvious, I was a candidate for reelection in the campaign. I worked very hard for the reelection of President Clinton and myself. I'm very proud that I was able to be effective in helping to reelect President Clinton, and I was very proud that I was able to also, as part of that effort, to help raise campaign funds.

Everything that I did I understood to be lawful. I attended campaign -- traditional campaign fundraising events as a principal speaker in many locations all around the country. The vast majority of the campaign funds that I've been given credit for raising came in that forum. I also made telephone calls to ask people to host events and to ask people to make lawful contributions to the campaign.

On a few occasions I made some telephone calls from my office in the White House, using a DNC credit card. I was advised there was

nothing wrong with that practice. The Hatch Act has a specific provision saying that while federal employees are prohibited from requesting campaign contributions, the President and the Vice President are not covered by that act, because, obviously, we are candidates.

The separate question of whether or not campaign contributions can be asked for from somebody who is in a federal office or in a room that is used for official business is part of a law that was intended to prohibit putting pressure on federal employees and soliciting from federal employees. I never solicited a contribution from any federal employee, nor would I. Nor did I ever ask for a campaign contribution from anyone who was in a government office or on federal property.

Now, all of the charges related to telephone calls were made to the Democratic National Committee. There were a few occasions when I made such calls; the first was in December of 1995. As we continue our review of this we have found the first session in December of 1995. There were a few other sessions during which I made telephone calls in the spring of 1996.

My counsel -- Charles Burson is my counsel here -- my counsel advises me that there is no controlling legal authority or case that says that there was any violation of law whatsoever in the manner in which I asked people to contribute to our reelection campaign. I have decided to adopt a policy of not making any such calls ever again, notwithstanding the fact that they are charged to the Democratic National Committee as a matter of policy.

We're continuing our review of this matter, and I think the entire episode constitutes further reasons why there should be campaign finance reform. The President and I strongly support campaign finance reform and we hope it is adopted.

Q Mr. Vice President, are you saying that you never did any fundraising from a government office or building or --

THE VICE PRESIDENT: I never asked for a campaign contribution from anyone who was in a government office. I never did anything that I thought was wrong. If there had been a shred of doubt in my mind that anything I did was a violation of law, I assure you I would not have done that. And my counsel advises me -- let me repeat -- that there is no controlling legal authority that says that any of these activities violated any law.

Q But there's a memo --

Q Mr. Vice President, but given the fact that you've now changed

your policy, I'm sure you could understand the appearance, whether or not it was technically legal -- the appearance wasn't very good, and that one of these people you apparently solicited told Bob Woodward and The Washington Post that it amounted to, in his opinion, at least, a shakedown, that when you were soliciting funds from him, given his nature of his business, you were shaking him down.

THE VICE PRESIDENT: Well, I cannot explain to you what some anonymous source wants to say. I can tell you this, that I never, ever said or did anything that would have given rise to a feeling like that on the part of someone who was asked to support our campaign. I never did that and I never would do that.

Q There's a memo from the White House Counsel written in 1995

that very simply says no solicitation can be made from the White House -- no phone calls, no mail. How can you say that that was okay for you to do?

VICE PRESIDENT GORE: That memo, authored by former White House Counsel Ab Mikva , was addressed to White House employees other than the President and Vice President. All White House employees, just like all other federal employees, are prohibited from asking for campaign contributions. There is an exemption for the President and Vice President. But that particular memo was not designed to address either the President or the Vice President because there is a different section of law that applies to the President and Vice President as candidates, as opposed to the White House staff.

Q So you're saying that you were exempt from any proscription from raising money right here in the White House, that that okay for you to do?

THE VICE PRESIDENT: No, no. No, no. I've never asked anyone in the White House for a campaign contribution.

Q You sat in the White House, you called people and asked them for campaign contributions?

THE VICE PRESIDENT: I stated the fact situation earlier and I described it in some detail. I never have asked a federal employee for a contribution -- never would, never will. I have never asked anyone in the White House or on federal property for a campaign contribution. And all calls that I made were charged to the

Democratic National Committee. I was advised there was nothing wrong with that. My counsel tells me there is no controlling legal authority that says there was any violation of any law.

Q Mr. Vice President, excuse me -- there's a lot of discrepancy on the Buddhist temple. Can you clear that up? I mean, because certain statements were made, denied and then actually accepted.

THE VICE PRESIDENT: Well, that's a separate matter and I've dealt with it and I don't really want to go back into that now. We can come back to it at the end of this, if you want to.

Q You said that there were only a few instances where you did --

THE VICE PRESIDENT: Correct.

Q -- ask people for money. Could you say why in those instances you did? Were you told that you would make the difference, or was it for a particular sum? Did someone in the campaign say we need you to close this? Can you explain the circumstances under which you would do this?

THE VICE PRESIDENT: I participated in meetings of our top campaign advisors where it became clear that in order to achieve the President's goals of getting a balanced budget, passing these measures to protect Medicare and Medicaid and education and the environment and so forth, that the DNC needed a larger budget to put advertisements on television. And I volunteered to raise -- to help in the effort to raise money for the Democratic National Committee.

Q Mr. Vice President, I'm confused on one point. I've heard what you've said, and as picayune as it may seem, there seems to be conflict over whether or not you're saying the law allows you as Vice President to sit in your office and to use a federal phone, credit

card or not, to make a call to someone outside. You're saying that the law does allow you to be in basically federal property and use federal property, although it's being reimbursed to some degree. But that is okay?

THE VICE PRESIDENT: As a matter of policy, I've decided that I'm not going to do that. As a matter of law, there is no -- according to my counsel -- there is no controlling legal authority, no case ever decided that says that is a violation of law.

The intent of the statute -- let me repeat -- was to prevent a supervisor from talking to a federal employee and saying we want you to contribute money. I've never done that. Secondly, I have never asked anyone who was on federal property or in the White House for a campaign contribution.

Q If you're clear on it, then why shift policy, if you're in the clear on that?

THE VICE PRESIDENT: Well, because it's aroused a great deal of concern and comment and it's not something that I want to continue if it's going to raise this kind of concern.

Q Just to follow up on that, are you basically, then, admitting that you made a mistake, or made mistakes?

THE VICE PRESIDENT: No, but I am saying -- I mean, implicit in the decision to change the policy and say I'm not going to make such calls again is an acknowledgement that if I had realized in advance that this would cause such concern, then I wouldn't have done it in the first place.

But let me repeat: I understood what I did to be legal and appropriate. I felt like I was doing the right thing. I am proud that I was able to do a lot of effective work to help reelect Bill Clinton and keep this country moving in the right direction. I'll spare you the rhetoric about the results of what we have been able to do, but I want you to know that I'm very proud to be a part of that effort.

Q What's your position on the elimination of soft money from --

THE VICE PRESIDENT: Oh, I favor the so-called McCain-Feingold bill which would do that. The President and I strongly favor campaign finance reform legislation that would accomplish that objective and we hope that it will pass.

Q There's been a lot written about your impregnable reputation for being above the fray and for being ethically someone who really hasn't been questioned on these issues. Does that shatter that and does it hurt you for the year 2000?

THE VICE PRESIDENT: Well, on the second part of it, I've told

you before that I'm not focused on a political campaign in the future, I'm focused on doing everything I can to help this President be the best President he's capable of being and to move this country in the right direction. And he's doing a terrific job. I'm very proud to be a part of his team.

On the first part of the question I'll say again, I never did anything that I felt was wrong, much less illegal. And, again, I'm advised that there is no controlling legal authority that says this was any violation of law.

Q Did you feel any discomfort at all as you called these individuals and asked them for donations, and did you ask for specific amounts of money when you spoke with them?

THE VICE PRESIDENT: Yes, I did. On the first part of your question, you know, I served eight years in the House and eight years in the Senate, and I was used to calling people to ask them to help with the campaign. I introduced legislation some years ago to call for complete public financing of campaigns and to prevent the contributions that are now legal over and above the public financing of presidential campaigns. The legislation that I sponsored and supported did not have enough support to pass.

I still favor that legislation, but it didn't pass. There's probably even less support for it now. So we have a system of campaign finance here in the United States that says candidates who are running for office ought to go out and ask people to contribute to their campaigns and to have fundraisers. And so, I was used to doing that as a candidate for the House, as a candidate for the Senate.

I would be surprised if all 100 members of the United States Senate and all 435 -- well, there are probably some House members who don't because they have safe seats and don't raise any money -- but I would be surprised if all senators and most all House members did not as a matter of routine ask -- call people up and ask them to hold fundraisers and ask them to help raise money. That is the standard way that we finance campaigns.

So I was used to that. Does it make one uncomfortable to do that? Why, sure. But if you believe in what you're doing -- in balancing the budget, in moving this country forward -- and you know

that the only way you can be successful in achieving the agenda you believe is right for the country is to play by the rules as they exist, and raise campaign funds, then you do that.

And typically what happens to members of the House and Senate is they'll put it off and put it off until the election year comes, and then the people helping them will say, you've got to devote time to raise money. And they say, oh, I hate this, I don't want to do it. And then they get into it and they start making the calls and they

raise the money. I'm exactly the same way.

Q There's nothing coy about the year 2000. Anyone who expects to run for President in 2000 has to start very early thinking about money. Predecessors of yours have started PACs, political action committees, or fundraising arms. What are you going to do between now and --

THE VICE PRESIDENT: I've made no decision about that whatsoever. And I really am focused on my work as Vice President and doing everything I can to help this President. If the time comes when I become a candidate, I'll be glad to answer such questions and talk about such matters at that time. But we're not there yet.

Q So you will raise no money at all for a political action committee or anything else --

THE VICE PRESIDENT: I have not set up a political action committee and I've made no decision to do so. Whether I will in the future or not I really haven't decided.

Q Something that I'm just a little confused about --you said there's only just a handful of incidences when you used a White House phone.

THE VICE PRESIDENT: Right.

Q So we can assume the preponderance of calls were made from the DNC or your residence? Is that --

THE VICE PRESIDENT: No, no. There were a handful of incidents, period.

Q Oh, these are the only incidences that you raised money,

period.

THE VICE PRESIDENT: That's correct. I went to the DNC on one occasion in I believe October of 1994 to help raise money for the party. You know, the impression was created that I went out and raised all this money and then they talked about me calling people on the telephone, and the two things were put together to give the impression that I raised all this money by calling people on the

telephone. That is not an accurate impression. Most all of the money for the campaign that I'm given credit for raising came in the form of traditional events where I was the main speaker at fundraising events.

There were a few occasions, as I said at the very outset, where I did make telephone calls, and I have described those. But that was the minor part of what I did in raising funds.

Q Do you have an enemy calling you a solicitor in chief? Is there some sort of opposition --

THE VICE PRESIDENT: I never heard such a phrase. I never heard such a phrase until I read it in the paper.

Q Mr. Vice President, you said that the President and the Vice President weren't covered under the Hatch Act, and that in that way, you two were different. But the other part of the statute seems to set up federal buildings as a sanctuary from fundraising. Were you unaware of that part of the statute?

THE VICE PRESIDENT: No, I was not. And let me repeat: I never asked for a contribution from anyone who was in a federal building. And all of the calls that I made were charged to the DNC. I was advised that was proper. In reviewing the matter, my counsel advise
me there's no case, there's no controlling legal authority that says that violates the law.

Q Is it possible that the absence of case law on this means that reasonable people could differ about what parts of the statute mean applied to different activities in which you may have taken part at different times?

THE VICE PRESIDENT: Well, that's not a question for me to

determine. I'm advised that there is no case or no controlling legal authority that says it is a violation of the law. And I never did anything that I felt was wrong, much less a violation of the law.

Q Sir, does the President know about any of these calls you made? Did you discuss it? Did he ever ask you to make any calls? Was he aware of your --

THE VICE PRESIDENT: No, he never asked me to make calls. I'm sure that he was aware that I was helping to raise funds for the campaign. It's -- well, I won't comment on what other Vice Presidents have or have not done. But I don't think it is surprising to people that when a President and Vice President are running for reelection that the Vice President helps to raise funds for the campaign. And anybody who wants to create the impression that that is something brand new in American politics I would invite to take another look at that question.

Q Mr. Vice President, when the Clinton-Gore election agreed to take public funds, it also agreed to spending caps. And, yet, you're referring to the DNC soft money operation as "our campaign." Doesn't this operation show that as a practical matter there was no distinction between the Clinton-Gore campaign and the DNC's soft money operation?

THE VICE PRESIDENT: No, there was a clear distinction. There was a separate message, there were separate legal requirements; it was separate in most all respects. Now, the fact that the agenda

supported by the Democratic National Committee's advertisements was similar to and overlapping with the agenda that was being pressed by the incumbent Democratic President should not be surprising. And again, it's hardly unique in American political history for an incumbent President to be supported by the political party of which he is the titular head. That is commonplace.

Now, I'm only going to be able -- right here, I promised here.

Q Mr. Vice President, was there any particular urgency to the calls -- the few occasions that you did make calls in the White House where they could not have waited until you were in a setting away from your office or the White House?

THE VICE PRESIDENT: Well, first of all, as I said before, I was

advised there was nothing wrong with it, so the question did not occur in that form. So there was not a sense of urgency in that sense. We felt, as we were preparing for our campaign, a general sense that we wanted to make sure that we had the ability to compete. Let me remind you that our opponents raised overall, I believe, what, 40 percent more than we did, and so we knew that they had a big head start and that they had a huge collection of resources, so we felt the need to move on with it.

Q To follow up on that, you also could have made these very same calls from somewhere else?

THE VICE PRESIDENT: Yes.

One more, and then I'm going to have to go.

Q You had said that this was not unique in American politics, but judging from the comments of your predecessors it would appear that direct solicitation by the Vice President had not been done in the past. Were you aware of that? And also, the fact that the President himself refused to make these phone calls, were you aware of that, and why did you think perhaps a different sort of standard --

THE VICE PRESIDENT: No, I was not aware of the latter. On the first part of your question, what I said was not unique was the practice of incumbent Vice Presidents running for reelection going out to help raise money for the campaign and for the political party of which they were a part. And I will leave it to you all to determine whether or not that's totally unique or not. I don't want to get into what any other Vice President has done.

I'm proud of what I did. I do not feel like I did anything wrong, much less illegal. I am proud to have done everything I possibly could to help support the reelection of this President and to help move his agenda forward. It is helping this county. Our economy is roaring, inflation is low, crime is down, investments in education and protecting the environment are going up, social trends are favorable, economic trends are favorable. We are moving in the right direction.

Let me tell you, one of the principal reasons we are is that we have a President and a group of people who are proud to support his

efforts, who are willing to go out there every day and fight hard, sometimes against powerful odds, to make sure that we pass this agenda and move forward. And I am very proud to continue to play a role in that.

Thank you very much.

Q Did you ever sleep in the Lincoln Bedroom?

THE VICE PRESIDENT: No. Have you, Helen? (Laughter.)

END 5:38 P.M. EST

Mr. BURTON. The Chair now recognizes the gentleman from New York, Mr. Gilman, chairman of the International Relations Committee.

Mr. GILMAN. Thank you, Mr. Chairman.

We welcome Director Louis Freeh back again with us, and we thank you for your patience and lengthy time we have imposed on you yesterday.

Director Freeh, the Attorney General testified yesterday that there must be sufficient credible evidence on a covered person which would have triggered the implementation of the Independent Counsel Act before the FBI could investigate such an individual.

Can you tell us, have there been any incidents that you are aware of that FBI agents wanted to interview someone, requesting documents or following leads on covered persons, as defined in the independent counsel statute or any other act or any others, and that they were thwarted by officials of the Department of Justice because of that condition that I just recited?

Mr. FREEH. There have been instances, Mr. Gilman, where the timing of certain interviews, particularly with respect to covered persons, were the subjects of discussion and sometimes even disagreement in terms of the timing as to whether those interviews should be conducted. For instance, there were discussions about whether people should be interviewed early in the inquiry or at a point where more information and evidence has been developed.

But the ultimate result, in answer to your question, is that I don't believe the agents who were conducting the inquiry were thwarted from interviewing any covered person because of the determination that the statute had to be triggered before they were allowed to be spoken to. But there were disagreements about the timing, and that's something that, you know, we've discussed and have discussed on an ongoing basis.

Mr. GILMAN. I just wanted to be clear with regard to our committee, since the Attorney General said she had to make a decision, if you were investigating a covered person, that there had been sufficient credible evidence to initiate the trigger mechanism for the Independent Counsel Act.

Are you clear now of what I'm requesting? Did that necessitate a delay by your agency in making an investigation?

Mr. FREEH. Yes, in the sense that the covered person may have been interviewed, and perhaps there was a desire on behalf of the investigators to do an interview earlier than the legal designation which I just articulated.

But, at the end of the day, the persons in question were interviewed.

Mr. BURTON. Would the gentleman yield on that?

Mr. GILMAN. I'll be pleased to yield.

Mr. BURTON. Did that create a sense of frustration amongst some of your agents? I mean, we have read in a number of publications that there really was a sense of frustration on the part of some agents who were being obstructed from talking to some of these people.

Mr. FREEH. Yes. I think I alluded to yesterday, there were times when the investigators felt that interviews and the focus of interviews should move quicker than the attorneys who were managing

the inquiry or the grand jury otherwise decided, and that was a source of some frustration at different points.

But, as I mentioned, no one was not interviewed, and nobody was insulated from being interviewed because of those disagreements. The disagreement was really the timing of the interview and what the overall focus was.

Mr. BURTON. If the gentleman would yield further. One of the things that I've noted in a number of investigations is that the timing of the interview by an agent is important. And if somebody at Justice postponed the interview for some time, which would allow the person to be interviewed to be more fully prepared, or to be able to cover their derriere might be considered impeding the process of justice.

Was that ever a complaint?

Mr. FREEH. Not that justice was being impeded. There are different theories to conducting investigations. One theory is you go out and speak to everybody immediately because you lock people into statements as well as facts. Another theory is you wait until you have sufficient evidence to conduct a more informative interview, more confrontational interview, and put the person in the position where they have to tell you facts you can corroborate or not accurately answer those questions.

Depending on the investigation, one theory may be a stronger suit than the other. So I don't think there is any right or wrong way of doing it, depending on the case. What is important is that the ultimate objectives were accomplished, and nobody was made invulnerable or insulated from interviews.

Mr. BURTON. I thank the gentleman.

Mr. GILMAN. Thank you, Mr. Chairman.

Director Freeh, when you took on the responsibility itself as Director of the FBI it was against the backdrop of a White House official calling directly to the FBI with instructions to go investigate alleged wrongdoing by long-standing nonpolitical career-type employees in the White House Travel Office.

I understand that you informed the President that for you to take on the responsibilities as Director of the FBI, you insisted that the Federal Bureau of Investigation must maintain its independence and have no role in politics.

Is that why you said no to the call for information on the Bureau's Chinese money connection inquiry and a push for the appointment of an independent counsel?

Mr. FREEH. With respect to the first part of your question, yes, that was the condition under which I took this job. I told the President when he asked me what were the conditions under which I would accept the job, and I certainly made it clear, and he agreed that I would be politically independent, appropriately so, as the Director.

With respect to decisions which you cite, again, I made those decisions with the intent of not only preserving the political independence of the FBI, but the integrity of the investigation. It is bad practice, in my view, to do anything which potentially alerts prospective subjects as to the course of the investigation or evidence. I think it is bad practice and should not be done.

Mr. GILMAN. And we want to commend you for maintaining the independence of the FBI.

One last question, Mr. Chairman, with your permission since my time was utilized by the exchange.

How many FBI agents are now working on this matter, illegal foreign campaign contributions, and other illegal activity involving the DNC during the last Presidential election? What portion of your budget is being allocated to that?

Mr. FREEH. There are 54 special agents assigned on a full-time basis to the overall investigation. There is 39 professional support, which include paralegals as well as investigative analysts. I can get some budgetary figures for you.

Mr. GILMAN. Just roughly what percentage?

Mr. FREEH. There's several millions of dollars, of course, invested here. We have an overall budget of about $3 billion. I would be just guessing at that right now. But it is a major investigation. I mean, if you compared it with anything else we've done historically, it is a major investigation.

Mr. GILMAN. With your permission, Mr. Chairman, I would like to ask the Director to submit that at a later date.

Mr. BURTON. Without objection.

[The information referred to follows:]

The FBI does not routinely account for its expenses at the investigative case level; therefore, the actual cost to date of the CAMPCON investigation is not available. However, those costs readily identifiable to the CAMPCON investigation have been compiled and total $3,910,311.

Mr. GILMAN. Thank you. And thank you, Director Freeh.

Thank you, Mr. Chairman.

Mr. BURTON. Gentleman's time has expired.

Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman.

I want to followup on the questioning of my good friend from New York. He raised the issue of the political independence of the FBI, which I would consider critical.

Has there been at any time any attempt on the part of the White House to interfere with the independence of your agency, Director Freeh?

Mr. FREEH. As far as my tenure as Director, no, I would say there has been no attempt that I would recognize as such to interfere with what I think is, appropriately so, the political independence of the FBI.

Mr. LANTOS. Since we all feel passionately that the political independence of the FBI must be preserved at all costs, let me pursue it with respect to the Vice President's Office. Has there been any attempt at the present time to interfere with the political independence of your agency by the Vice President's Office?

Mr. FREEH. No, sir.

Mr. LANTOS. Has there been any attempt by any other agency of Government to interfere with your independence?

Mr. FREEH. No, I don't believe so.

Mr. LANTOS. So, basically, your answer to Mr. Gilman's probing is that we are dealing with a nonissue, that political interference with the independence of the FBI has not been part of your experience as Director of the FBI?

Mr. FREEH. Well, it's not been part of my experience. As you know, of course, Independent Counsel Ken Starr is looking at the issue of the FBI files, which, of course, has been the subject of great interest and inquiry by this committee. I don't know the results of those investigations, but from my point of view and where I sit, I have not seen what I would call an attempt, as far as I can prove it, of political interference.

Mr. LANTOS. Let me raise an issue concerning the Chinese involvement in our 1996 elections. I realize that you are under constraints in terms of the extent to which you can deal with that, but as one who has studied the macro figures of the 1996 elections, as I'm sure you have as well, what is the quantitative importance of alleged Chinese political interference with the 1996 elections in terms of the totality of spending during the course of that election?

Mr. FREEH. Mr. Lantos, it would be very difficult for me to—first of all, to approximate that. But even to address it, as you know, it has been the subject of classified briefings to this committee and others, and I would be respectfully reluctant to get into that. And it would also be difficult to approximate an answer to your question.

Mr. LANTOS. You agree with me that of all the items that we have been exploring, this clearly is potentially the most serious one?

Mr. FREEH. I think all of the items that we're exploring are serious. As to which one ultimately proves by fact to be the most serious, it is hard to estimate at this point.

Any time a law enforcement agency is investigating the commission of a crime, or the potential commission of a crime, it is very serious. And the external matters which you refer to are of critical seriousness to the national security as well as the criminal laws. But how they all prove out to be based on what we know now is difficult to predict.

Mr. LANTOS. Is there any area you would like to just give us your views beyond the questions that you have been asked by members of this committee? I want to give you an opportunity to express any other thoughts that you may have.

Mr. FREEH. Yes. No, I appreciate that very much. As I said before, I will continue to do my very best to ensure the independence of the FBI, and I think that's critical for the country. It is critical, for everybody's rights are potentially affected by an agency with such awesome powers. And I pledge to continue to do that. And if at any time we make a misstep or a misjudgment, and we create the perception that it is otherwise, that's as bad as the reality of it being otherwise.

But you have in the FBI, I think, a crown jewel in the United States. You have men and women who—and I see them every day on a daily basis—do great good for the country, and despite a couple of missteps here and there, there's nobody in the FBI with a political agenda. We have a job to do, and we want to do it correctly and fairly.

Mr. LANTOS. I think my colleagues share my view that we have the highest regard for your agency and for your leadership of that agency.

Final question relates to your relationship in the future to the Attorney General in view of this unfortunate attempt to try to drive a wedge between the Attorney General and yourself.

Yesterday both of you were extremely complimentary of each other's performance and of each other as individuals. Is it unrealistic on our part to hope that this minor blip will fade into the background and your working relationship with the Attorney General will continue to be cordial, cooperative, exemplary and pleasant?

Mr. FREEH. I have every confidence it will remain a very strong relationship. But as I alluded to yesterday, and again, I'm not speaking so much for myself as perhaps maybe for a future FBI Director, I have to tell you that the next time I sit down and write a memo to the Attorney General on a matter of this importance and substance, I'm going to have in the back of my mind a thought that it was not as strong as it was when I wrote this memo, which is that even though what I put in there is frank and honest and very sensitive, I think it creates the awareness that it is an issue that is potentially something I have to consider.

I think that's a bad thing for people in my position and in future Directors, which is why I'm hopeful, Mr. Chairman, as I spoke to you yesterday, that Mr. Bennett and lawyers for the Justice Department can discuss this issue. I spoke to the Attorney General this morning, and she told me to relay to you that her lawyers would be pleased to engage with Mr. Bennett.

And I think for the good of the process and because I wrote the memo and I know what's in there, it is a much more preferable course to see if we can work that out and avoid what is really not only a constitutional issue, but an issue that will impact adversely on what you expect to get from us, which we want to give you in many cases, and what we have to protect in some critical parts of an ongoing case.

Mr. LANTOS. If I may just followup on this thought. Your answer to this question underscores the validity of the Attorney General's statement yesterday that attempts by congressional committees to obtain confidential memoranda written by the FBI Director to the Attorney General chill the atmosphere and discourage the degree of candor that the Attorney General ought to be able to expect of you. I fully agree with your statement, and I hope there will not be future attempts to obtain such memoranda.

Thank you, Mr. Chairman.

Mr. BURTON. Mr. Shadegg.

Mr. SHADEGG. Thank you, Mr. Chairman.

Just to followup on the points that my colleague Mr. Lantos made. He questioned you about political independence and about this issue of a wedge. I want to begin by saying, No. 1, as a former law enforcement official and assistant attorney general in Arizona, I respect what you're doing, I encourage you to be an independent voice, I admire your record, and I would encourage you to hang in there notwithstanding what I consider to be some improper influences.

Mr. Lantos referred to there being no attempt to interfere with you in a political sense. I won't ask you to comment on it. But, quite frankly, I think the remarks last week by the White House, which were guarded, and which Mr. McCurry advised the press to

read as they would, besmirched your record, came at a point in time right after you had exercised your independence, which I think the Nation should want you to do. And if that wasn't an attempt to interfere with your political independence, I don't know what was.

And if there is a problem here, I see a problem in terms of a wedge not driven between you and the Attorney General. She apparently respects your independence. I see a wedge trying to be driven between you and the public based on the fact that you had the courage to speak your mind and to give her the right kind of advice.

So I applaud that conduct, and I quite frankly think the President was grossly improper in following your—nobody likes the leak of that memo, but once it came out, the President says, well, he has something critical to say about me or something I don't like, so I'm going to be critical about him.

Quite frankly, I think it was petty and inappropriate and it was, in fact, at least a veiled attempt to interfere with your independence, and I resent it, and I think a lot of people in America resent it.

Having said that, I want to turn to an issue I discussed yesterday. In the 29-page report released by the Attorney General in her decision not to continue with the investigation, she says point blank, I have determined that there are no reasonable grounds to believe that further investigation is warranted into the allegations that the Vice President broke the law and illegally raised the campaign funds.

I was very encouraged that, in response to Mr. Cox's questions yesterday, you indicated that even that topic, the topic of the illegality of phone calls by the Vice President, remained open. Did I hear you correctly on that point?

Mr. FREEH. Yes, sir, it is fully open.

Mr. SHADEGG. I was also stunned yesterday to review this entire document and to find that—well, let me ask you. Have you read it?

Mr. FREEH. Yes, sir.

Mr. SHADEGG. She devotes almost a third of this document to making the case that the President did not know that some of these funds would be used as campaign money; that is, hard money which could not legally be raised from a Government office.

Mr. FREEH. Do you mean the President or Vice President?

Mr. SHADEGG. Vice President. There was a whole section of this, quite a bit of it, trying to make the indication that he did not know that he was raising campaign funds. You would agree with me that's a good portion of this report?

Mr. FREEH. Yes, sir.

Mr. SHADEGG. So that would go to the issue of whether or not he knew his conduct was illegal. And I'm troubled by that, because normally in the law knowing that your conduct is not illegal is not an element. That is to say, if I'm stopped by a police officer for speeding, I can't say to him, I didn't know I was speeding, and he will say, oh, well, OK, you're off. Correct?

Mr. FREEH. Yes.

Mr. SHADEGG. And it wouldn't be a defense—let's say I went back to my office, and I spent the next 10 days in my office doing nothing but making campaign fund-raising calls from my Government office. It would not be a defense to a prosecution for that conduct if I said, well, my chief of staff told me I could do that from my office, and I believe her, would it?

Mr. FREEH. Except as it went to intent.

Mr. SHADEGG. Except as it went to intent. But it would not necessarily be a defense to the crime?

Mr. FREEH. No.

Mr. SHADEGG. OK. You're charged with—your agency is charged with investigating this. Do you know the date on which the Vice President was questioned about those fund-raising calls?

Mr. FREEH. Yes, I do. November 11.

Mr. SHADEGG. Of 19——

Mr. FREEH. 1997.

Mr. SHADEGG. As I mentioned yesterday, in his press conference, which went on for, I guess, 30 or 45 minutes, almost a year earlier, on March 3, 1997, nowhere does the Vice President ever indicate that he thought he was raising soft money. In fact, you were here yesterday when I brought out four different quotes by the Vice President in which he said he thought he was raising money for, quote/unquote, our re-election.

Wouldn't you think what he said candidly and voluntarily shortly after this issue became public would be more solid evidence of what he believed and what his state of mind was than an interview conducted almost a year later where he'd heard that the Attorney General was already looking at the issue of soft money and say, well, if he was raising soft money, then we're off the hook?

Mr. FREEH. Yes. I just don't think it is appropriate for me to comment on his intent or knowledge at any point.

Mr. SHADEGG. Well, as an investigator, wouldn't you have thought that what he said a year earlier describing his own conduct deserved at least some mention in her report on that issue?

Mr. FREEH. It is not my report, and, you know, what processes went into what she included or deleted I'm not aware of.

Mr. SHADEGG. Well, I find it stunning that she spends a third of this report including a number of questions, including describing the phone calls she made or her investigators made to these contributors in which they all said they understood it was soft money. And these are people out across America questioned a year later. They said, well, we all understood it was soft money. And yet days after the issue became public, the Vice President gives a 45-minute-long press conference. He never mentions that he thought it was soft money, and he, in fact, describes it as raising money for our re-election campaign, which would be hard money. I, quite frankly, see that as a huge flaw in her report.

I'm encouraged that the investigation is still open. I quite frankly think the evidence is clear that he did violate the law. I think there may be an argument that he couldn't be successfully prosecuted for it, but I believe he violated the law.

Mr. BURTON. The gentleman's time has expired.

Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman.

Welcome, Mr. Freeh. I was intrigued by perhaps the most significant statement in your testimony, and I'm quoting:

> In recommending that an independent counsel be appointed I did not, and do not, imply that I believe any particular person has committed a crime, is the target of investigation or even has done anything improper. I recommended appointment of an independent counsel to investigate whether crimes may have been committed.

Are you aware that the independent counsel statute says that there must be specific and credible evidence that a covered person has committed a crime?

Mr. FREEH. It says "may have committed a crime."

Ms. NORTON. Do you believe a covered person may have committed a crime, because that is not what this statement says. Your statement from yesterday says—it implies that you don't see any covered person, you don't see any evidence, or you don't want to imply that any covered person has committed a crime or even has done anything improper. And yet you believe that an independent counsel should have been appointed?

I'm trying to find the basis upon which you believe and independent counsel should be appointed.

Mr. FREEH. I think we're talking about two different things. The trigger in a statute that a crime has been committed—actually that used to be in the statute, and in the revisions the Congress changed that, the governing language that a crime may have been committed.

My statement yesterday spoke to two issues. The first issue was the one that I said made me reluctant to publish my recommendation because many people could misunderstand a recommendation like that, or one under the independent counsel statute to believe exactly what you asked me about, that someone had committed a crime. So I wanted to make that clear.

The fact that the statute would be triggered does not mean that a crime has been committed or that any findings of guilt or innocence have been made. It simply means that further investigation is required.

Ms. NORTON. Well, if you can trigger a criminal statute of this kind because further information is required, then I really wonder about whether we ought to reign in the statute. The specific and credible evidence, it seems to me, is an important safeguard.

It became known before your memo that you disagreed with the Attorney General. How did that first become known?

Mr. FREEH. I don't know. I wish I did.

Ms. NORTON. Were you asked that question, and did you have occasion to answer that question before your memo was written? Why did the press know before your memo was written that you disagreed with the Attorney General?

Mr. FREEH. These discussions within the Department of Justice, both between the Attorney General and I and the people on the Task Force, have been ongoing for months, and one of the key subjects of those discussions which involves a larger and larger circle of people have been going on for many, many months. So, unfortunately, some of that spilled out before the memo was written. But the memo does not for the first time raise these issues.

Ms. NORTON. Is it your practice to make it known to the Attorney General when you disagree with her prosecutorial decision?

Mr. FREEH. If it is an FBI case, and particularly a case about which we consult and she asks me my opinion, absolutely.

Ms. NORTON. No, I asked is it your practice. Is it your practice as a general manner to make it known when you disagree with the decision that the prosecutor makes, or is this an unusual occurrence?

Mr. FREEH. It is an unusual occurrence in the sense that I don't, and neither does the Attorney General, regularly get involved in charging decisions except for a very small number of cases.

So it is not my practice to get involved in charging decisions either in the Department of Justice or in the U.S. Attorney's Office. However, from time to time I have intervened in cases where I thought charges should be brought or not brought for one particular reason or the other, but it is not something that I frequently do.

Ms. NORTON. You have been an Assistant U.S. Attorney yourself?

Mr. FREEH. Yes, ma'am.

Ms. NORTON. Did you have an occasion to use the FBI when you were an Assistant Attorney?

Mr. FREEH. Yes.

Ms. NORTON. Did you find that sometimes the investigators at the FBI want to prosecute when the lawyer or prosecutor thought otherwise?

Mr. FREEH. Yes.

Ms. NORTON. Isn't it natural that investigators who put a lot of time and effort and grunt work into investigations have a tendency to want to go forward with what they have uncovered and prosecute? Isn't that pretty much naturally built in structurally in being an investigator?

Mr. FREEH. No, I don't think so. I think it depends on the case. I've had cases as a prosecutor where I wanted to go forward, and the FBI told me not to go forward. I think it depends on the facts and circumstances.

Ms. NORTON. In your judgment did this leak concerning the memo come from within the FBI, or do you think it came from the larger Justice Department or outside the FBI?

Mr. FREEH. I don't know. We're conducting an inquiry, as we did in all these matters. I hope in this case we can come up with what happened, and if we do, there would be serious consequences.

Ms. NORTON. What precautions have you taken to assure that the confidentiality of your advice to the Attorney General would be respected and that we could depend upon this not happening again? I mean, do you have a home computer?

Mr. FREEH. I'm sorry?

Ms. NORTON. Do you have a home computer? I'm asking, what precautions you will have taken—if I could just finish this question Mr. Chairman. You said that yesterday in your testimony that these—that the leaks have occurred—that multiple leaks have occurred, and they are occurring all the time, and they have occurred in an instance which you obviously regret. I'm asking you, what have you done to assure that this kind of leak will not occur in the future?

Mr. FREEH. I've told people that I will fire them if they leak, or I will have them prosecuted.

Ms. NORTON. You told them that before.

Mr. FREEH. Well, I tell them that frequently. I've told and suggested that when we have certain leaks, we ought to have a grand jury proceeding as opposed to administrative inquiry. I handled this particular memo as carefully as I could. I mailed only six copies. We accounted for each one of them. People who were deeply involved in the case not only didn't know about the memo, but didn't know the timing of its presentation. We rely on people's good faith and honesty and integrity.

Unfortunately, at I said yesterday, if I ever write my memoirs the most frustrating thing about Washington in this particular job are leaks, which I deplore and which people should be arrested for.

Mr. BURTON. The gentlelady's time has expired. Mr. Pappas.

Mr. PAPPAS. Thank you Mr. Chairman.

Director Freeh, it is good to see you again here today. I wanted to make a brief comment about what was said before about wedges and that some on the other side are suggesting that we are trying to drive a wedge between you and other people. I don't think that's the case. I know that in the letter that you jointly signed with Ms. Reno, and I'm quoting, this was at least from the New York Times, quote, public and judicial confidence in the criminal justice process would be undermined by congressional intrusions into an ongoing criminal investigation, end quote.

If that is, in fact, an accurate quote, what this is all about is public confidence in the Federal Government and in the ability of people in high levels to be making the decisions, and the judgment that is being used to drive those decisions and the reasons for making those decisions.

And we have in this instance two of the top law enforcement officials in the Federal Government have differing opinions, so there is no wedge that is being created here. We're not creating a wedge, we're just trying to understand how two people whom we both respect have come to two different positions. And I think there are a lot of people around the country that are scratching their heads, trying to understand that as well.

Now, I would like to yield to Mr. Cox.

Mr. COX. Thank you. I appreciate your yielding.

Director Freeh, yesterday we talked a bit about the independent counsel statute, about the law, with the Attorney General and with you. Under the independent counsel statute, the decision whether to initiate a preliminary investigation is made on the basis of the AG's assessment of whether there is specific and credible evidence; and if there is, then she is supposed to, within 30 days, initiate a preliminary investigation to see whether further investigation is reasonable. And if that further investigation is reasonable, under the independent counsel statute, it must be done by an independent counsel; is that right?

Mr. FREEH. Yes, if further inquiry is required after whatever last extension of that period.

Mr. COX. Right.

Now, it is discretionary for the Attorney General—if there is not a presumed conflict of interest, as there is with certain named people in the statute like the President or Vice President—it is discretionary and it depends on her judgment of whether, according to

the statute, there is a conflict of interest, potentially a conflict of interest, that is political, personal, or financial; is that right?

Mr. FREEH. Yes. Actually in the new statute they do not name individuals anymore except for a few. There are people before a certain pay grade in the executive branch. But you're correct.

Mr. COX. Now, yesterday I read from a Los Angeles Times article in which it was discussed how $10,000 checks were passed out in southern California; how people were writing checks to the DNC who didn't know what the DNC was; how they were reimbursed, and all this money came from, in one of the specific examples, the Bank of China in Macao.

Under the statute, do you think that that is specific and credible evidence that a crime may have been committed?

Mr. FREEH. It could be.

Mr. COX. Well, I'm asking you whether, because you are now in possession of that information as well, whether you think that's specific and credible evidence? Is it not specific enough, or is it not credible, or is it both?

Mr. FREEH. I think to answer that question I would be giving you some conclusions with respect——

Mr. COX. Which is exactly what I'm asking for.

Mr. FREEH. Well, I don't think, with all due respect, it is appropriate for me to do that. That is a subject potentially under inquiry, and to tell you before the Attorney General makes those determinations——

Mr. COX. I'm just asking you to give me your reading of the Los Angeles Times article.

Mr. FREEH. I would hesitate to give you the reading of any article, but I certainly don't think it is appropriate for me to analyze an article for you.

Mr. COX. All right. Let me ask you another question.

Let us assume that that Los Angeles Times article, which was worked on by a lot of reporters, which followed up on hearings by this committee, and which included information taken under oath, is at least credible evidence and that it is specific as far as it goes.

The only reason, then, if hypothetically we say it is specific and credible, for us not to appoint an independent counsel is that in our judgment, if we were the Attorney General, there is no potential political conflict of interest with these people like Charlie Trie or John Huang or Antonio Pan; is that correct?

Mr. FREEH. Yes. If you were the Attorney General making the decision under the statute, you could either decide there was a potential conflict or not decide.

Mr. COX. And finally, I had a discussion yesterday with the Attorney General because I heard her to say that she needs to find an actual conflict of interest. The statute says "potential." She read from a memo. I've had a chance now to read that memo myself. The memo is correct. I believe that it was the impression that she learned in her testimony that was incorrect. But the memo and statute are consistent. They both say that the conflict of interest must be potential, not actual. Is that your understanding of the statute?

Mr. FREEH. I don't think, you know, my view of the statute on this particular issue since it——

Mr. COX. It is very important. Because if we have to find an actual conflict of interest, that is a much higher standard. But if the statute says, as it does, that there "may" be a potential conflict of interest, well then it's potential conflicts of interest that we are worried about, and that standard is obviously much lower.

Mr. FREEH. There are other lawyers that will cite the legislative history and talk about the actuality as opposed to the reality of the conflict.

Mr. COX. The legislative history that was cited by the Attorney General yesterday pointed out that Congress intended that there be the potential for an actual conflict of interest, not the potential for an appearance. But is it your understanding that it is the potential for an actual conflict of interest?

Mr. FREEH. I just don't think my understanding is relevant since I don't make those decisions. I think a statute—if you want to ask me as a former judge.

Mr. COX. I do.

Mr. FREEH. You know, different schools of judges and lawyers, I was always taught and believed that statutes ought to be strictly construed.

Mr. COX. I appreciate it.

Mr. BURTON. The gentleman's time has expired.

Mr. Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Welcome, Director Freeh. And I, too, agree that you are doing an outstanding job as a lawyer. And as a lawyer, I really appreciate what you're doing.

In listening to your testimony yesterday and today, one of the things that impressed me was the fact that you have a tremendous or appear to have a tremendous amount of respect for the Attorney General; is that correct?

Mr. FREEH. Yes, sir.

Mr. CUMMINGS. You were here, and some of us were surprised that you were here during her entire testimony, and we saw that as a very good thing, very positive. And I'm not here to drive a wedge between you two. I think, from what I've seen, it is a very close relationship. But let me ask you this so that we can be very clear with regard to your opinion. I think we sort of skirted around this, but we haven't hit it right in the bull's-eye.

You listened to the testimony of the Attorney General. Do you have any reason to believe that she is out just trying to protect the President and the Vice President or Ms. O'Leary?

Mr. FREEH. Well, as I said yesterday, my understanding and belief again, based on working with Janet Reno for 4½ years on many issues, is that she took all the facts and the law and made the best and most honest decision with all the integrity in the world, and that's how she got to her result and by no other means.

Mr. CUMMINGS. Thank you.

So the answer would be you don't think that she is just out trying to protect them as has been stated in various publications and by many people?

Mr. FREEH. I think she made the decision on the law and the facts in her view.

Mr. CUMMINGS. Thank you.

Let me ask you this: You said something a little bit earlier that concerned me a bit, and I just want you to clarify it, and I think we on this side of the aisle are a bit concerned. You were talking about possibly that you had gotten—had a conversation with Ms. Reno, I think you said this morning, with regard to trying to come up with some kind of compromise with regard to certain information in the memo that you had written; is that right?

Mr. FREEH. Yes.

Mr. CUMMINGS. And I noted that you said that you would get together, or your employees would get together, with Mr. Bennett. There was no mention of the Democratic side. We represent the American people, too.

Mr. FREEH. Sure.

Mr. CUMMINGS. As a matter of fact, we want to make sure that we're included. But I just found it interesting, and a number of us did, that you mention Mr. Bennett, but we who represent almost half of the American people was not mentioned there. I don't know whether that was a misstatement or you—I mean, do you just see it from the Republicans' side or what?

Mr. FREEH. I certainly don't see anything from either the Republican or Democratic side. Mr. Bennett is the counsel that I've been dealing with as a witness here, and I assume that any discussions between the Departmental lawyers and himself on this issue is inclusive to the committee, but I certainly didn't mean by mentioning him that—well, I didn't mean anything by that.

Mr. CUMMINGS. As someone said a long time ago, we people on this side are not potted plants, and we are kind of concerned about that.

Let me ask you this: Mr. Gilman asked you a very excellent question, and you agreed to supply him with certain information. He asked you about how much resources were being directed from your staff with regard to the DNC investigation. He used DNC, and I'm wondering, are there Republicans under investigation here? I'm just curious.

Mr. FREEH. The investigation is not, as I said yesterday, structured along party lines or person lines or officeholder lines. It is a broad-based inquiry into all aspects of the 1996 campaign and issues surrounding that and on both sides of it.

Mr. CUMMINGS. Well, the things that concerned me, as I said, when he asked his question, he specifically asked about DNC. I wouldn't be asking this question if he had not said it that way. And you said that you would supply him with information, I think it was figures, how much it would cost—how much it is costing with regard to investigating the DNC. Now, that is one party. And I was just wondering, is there a breakdown for anything other than that?

Mr. FREEH. What I will supply him with or I'll supply the entire committee with is the amount of expenditures with respect to what we call the Campcon investigation, which is our acronym for campaign contributions. It doesn't devolve to one party or one person or the other. And I would provide those overall figures. There is no breakdown between, you know, parts of that investigation or subjects or entities. But I'll give you all the figures that we've been spending.

Mr. CUMMINGS. We would also ask on this side that you include minority counsel, because we don't always get information from our counsel, and we would like to have information, and we think we're entitled to it. We'd appreciate that.

Let me ask you one other thing. You were talking about your memo a little bit earlier, and Ms. Reno, I think, used these words. I don't think they were your words. She said that the memo that was written could possibly provide a road map or did provide a road map with regard to the investigation. Would you agree with that?

Mr. FREEH. I would agree with the proposition that in the memo are discussed different theories of the investigation, different scopes of the investigation, and clearly somebody reading that could be alerted to what the proposed courses would be with respect to this investigation.

Mr. CUMMINGS. And you also said a little bit earlier that you know if you—I think you said that if you had to do this again, that is writing the memo, you might do it a little bit differently.

And I'm just wondering, are most of your memos something of this magnitude that could affect the President of the United States, one of the most powerful countries in the world? Does it concern and possibly put certain defendants or potential defendants in the position where they might be in a position to—Mr. Chairman, I just want 2 minutes that you gave Mr. Cox. That's all I want. I'm almost finished.

Mr. BURTON. We will let you finish your question.

Mr. CUMMINGS. Thank you. I timed it.

I'm just curious as to whether you're doing a road map memo and you're giving it to six people, and then to find that in publications all over the country. How would you do it any differently? Because I'm just curious. Because I know that concerns you. I've listened to what you've said, and I certainly agree with you. But that is a very serious situation considering the fact that we are spending millions upon millions of dollars with regard to these investigations when people can't even send their kids to college, and then the idea that a road map would be out there for all the public to see to basically squash the very things that we're trying to do with all this money, tax dollars we're spending, I'm just curious. How would you do it differently?

Mr. FREEH. I'm also very concerned about those issues. I don't know that I would do it any differently. But the road map, as you've described it and as I describe it, is not out there, which is why I said yesterday I don't believe anybody has this memo in the press, or you would be reading things that I know that they would report which have not been reported. So I don't feel and I don't believe that that memo is out there and that that road map is out.

How would I do this in the future to eliminate it? I could have, you know, conversations in the hallway with the Attorney General of the United States. I don't think that's a good response to an inability on either the FBI or Department of Justice to control sensitive information. I think if I had to do it again, I would do the same things.

Mr. CUMMINGS. Thank you very much.

Thank you, Mr. Chairman.

Mr. BURTON. The gentleman's time has expired.

Mr. Horn.

Mr. HORN. Thank you, Mr. Chairman.

Director, going back to the Franklin Roosevelt administration, each administration has had a policy on the clearance of testimony, the review of testimony by high-ranking officials before they come up to the Hill. Was your statement cleared by OMB and/or the White House?

Mr. FREEH. As far as I know, it was not. I gave a copy to the Attorney General. She gave me a copy of hers, but there were no editing or suggestions. I don't know if OMB got it or not. Maybe I could find out.

Mr. HORN. Is that the usual procedure?

Mr. FREEH. I'm told they did not get a copy.

Mr. HORN. What is the usual procedure to review?

Mr. FREEH. The usual procedure would be if I'm talking about counterterrorism or encryption, which I won't talk about today, yes, we send it up to OMB, they review it. Sometimes they have suggestions. Sometimes they have objections. We discuss that. That was not done in this case.

Mr. HORN. You were listening with great care yesterday to the answers and the questions given the Attorney General, and I know you as a high official probably face the same thing many high officials do.

When you're head of an agency, there are possibilities where there will be conflicts of interest in terms of who represents whom. She cited the so-called prison guard problem in the Department of Justice where they might have a case on one side of it, and there is also a case on the other side of it. What she didn't say was that the President does not appoint prison guards, the President appoints the Attorney General.

Did you find real problems in the administration of the conflict of interest situation within Justice when they have to represent the whole Government going into court, and yet they might have a stake in this one way or the other? What's your reading on that as a former judge?

Mr. FREEH. It is really a fact-specific situation. When I was on the bench, every time we got a new case, both myself and my law clerks would look at it carefully to see if there was any potential from conflict. In fact, I went on the bench directly from the U.S. Attorney's Office in New York, so not only the assistant itself, but even some of the matters were matters that I had to preside over as Deputy U.S. Attorney.

I think it is fact-specific. I think it requires great care, conscientiousness, but it is really specific as to the case involved.

Mr. HORN. You look at the ability of the FBI to get to witnesses and take their testimony. Who gives you the authority to issue a subpoena? Is it the U.S. Attorney in the particular region? Is it the Attorney General? Is it the chair of the task force?

Let's say you're going after people outside of the jurisdiction of the United States. Mr. Cox asked a series of questions on various people that have escaped our jurisdiction, they are overseas. What do you do in a situation like that as well as the ones within the United States?

Mr. FREEH. With respect to within the United States, the investigators would go to the prosecutors on the task force and request a subpoena, or the prosecutors would tell the agents they want to subpoena such and such person or records and provide the process. If it was out of the district, we would go through the U.S. Attorney's Office.

For example, in Los Angeles there are full-time investigators and task force attorneys assigned to this investigation. If it was overseas, we would go through the legates, the FBI representative itself in those countries. We might ask for judicial assistance in a foreign country. We could ask for a foreign witness warrant to have someone detained in response to the subpoena, but it is a process that goes through the U.S. Attorney's Office because they are the people charged with the administration of the grand jury's inquiry.

Mr. HORN. Could a judge issue a subpoena if you weren't satisfied with the U.S. Attorney's decision?

Mr. FREEH. Probably not. A judge could issue a writ or an order, depending on whether it was a native of his or her jurisdiction, but could not issue—could not—this is a good question. A judge who does supervise the grand jury could issue a grand jury subpoena on somebody who knows that.

Mr. HORN. Under the wiretap situation, you go to the judge ordinarily to get that subpoena and that authority?

Mr. FREEH. Yes, sir. That's an order, but the statute provides for that.

Mr. HORN. Given the jurisdiction of this committee and the issues before it of the 1996 Presidential election, are there any witnesses that the FBI has wanted to depose and issue—have a subpoena issued that any member of the U.S. Attorney's staff, the chair of the task force has turned down and said, no, you can't interview that person? Have you had any particular requests stopped somewhere in the process?

Mr. FREEH. No, not to my knowledge.

Mr. HORN. OK.

Mr. FREEH. Except, as I said before, as to the timing of interviews, that has been the subject of some disagreements at different points.

Mr. HORN. Yesterday I happened to mention to the Attorney General the Hudson Dog Track case, where a lobbyist that fought these poor Indians in Wisconsin and get $6,000 a year, versus the Indians in Minnesota that make $400,000 a year per person, and he raises $420,000 for the Democratic campaign, sits next to the President the night before Secretary Babbitt makes the decision, and most Secretaries, including Babbitt, have approved Indian gaming. He was ordered by the White House to disapprove this particular application. And this has wrecked that tribe's chance for opportunity and health care, schools, you name it, clinics. Is that under investigation?

Mr. FREEH. Yes, sir. FBI agents and task force attorneys in terms of the preliminary investigation are conducting that. I've discussed the matter with the Attorney General. I'm sure I'll discuss it again with her before she makes any final decisions.

Mr. HORN. Thank you.

Mr. BURTON. Mr. Kucinich.

Mr. KUCINICH. Thank you very much, Mr. Chairman. Good morning, Director. I join with other members of this committee in saluting you for your independence and I have joined many members of this committee for about 7 hours in 2 days of discussions and questions and I think we have covered a lot of territory and many questions have been asked several times. I think I know the answer to this question, at least I hope I know the answer because of your reputation. Could you tell us for the record, did you or anyone in coordination with you leak the contents or sense of the memo to the Attorney General?

Mr. FREEH. No, sir. Nobody associated with me as far as I know and believe, unless I am shown otherwise.

Mr. KUCINICH. That is the answer I was hoping for. I am glad we got it on the record. Thank you.

Now, you mentioned in response to Mr. Cummings' question that you would deal with Mr. Bennett because he represents the committee, and as I am sure you know, he represents the majority of the committee. I would say represents them well. I would ask you to include minority counsel in any further discussions you or your counsel may have with this committee. Is this something that you could do?

Mr. FREEH. We will talk to anybody on the committee, either Members or counsels on either side with respect to the—certainly the matter with respect to the memo.

Mr. KUCINICH. Thank you very much.

Mr. BURTON. Mr. Kucinich yields back the balance of his time.

I would like to take my 5 minutes, if I might, right this minute. Do you know, Mr. Freeh, Donald Smaltz, the independent counsel that has been investigating the Department of Agriculture affair?

Mr. FREEH. Yes, sir.

Mr. BURTON. Can you give us your opinion of his capability, qualifications, what kind of a guy he is? He is going to be before us later today.

Mr. FREEH. I have worked with Mr. Smaltz since about 1994, when the matter under inquiry was referred to him. He, in my view, is an outstanding attorney. He is a former Federal prosecutor, as you know, a law professor. He is one of the finest lawyers I have worked with and, as you know, he has had FBI agents separated from the FBI assigned to his inquiry for many months. All of our dealings have been professional and I have great respect for him.

Mr. BURTON. He has done an outstanding job in your opinion?

Mr. FREEH. Well, without commenting on the work that he has done, since I am removed from the substance of the work, my view of him as an attorney and a prosecutor is extremely high.

Mr. BURTON. Thank you. There was an article written by Bob Novak. I want to read to you from this article. It says,

A veteran FBI agent resigned and retired from the government in September after refusing a demand by Attorney General Janet Reno to give the Justice Department the names of highly sensitive, secret China contacts. This sent a wave of outrage coursing through the Bureau and will surely prompt new congressional concerns about Reno.

Ray Wickman, former head of the FBI's Intelligence Unit monitoring Chinese operations, was reached at his home in suburban Washington and told me, "I took my retirement," but he refused to say more. However, well-placed and outraged Bureau

sources said Wickman's resignation was his only recourse because of the Justice Department's threatened compromise of FBI intelligence. "It was an insult," a veteran FBI agent told me. . . . months of confusion over FBI and Justice Department investigation of alleged Chinese attempts to influence American politics

was the subject that Justice was looking at.

I am going to leave some of this out.

High level officials at the FBI and the Justice Department, when asked what happened, put out the story on a not-for-attribution basis: When Wickman decided to resign, he was asked to turn in his sources on the Chinese account, but declined to do so because he was concerned about their "low quality."

That sounds like bureaucratic nonsense, and close colleagues of Wickman in the Bureau said it certainly is. They report that Wickman quit after, not before, he refused to turn over his sources. Far from being of low quality, the Chinese sources and the intelligence derived from them are regarded by FBI professionals as the best in the Bureau. What's more, they consider these files as the most sensitive kept by the FBI.

The Justice Department, clearly on Reno's orders, was demanding raw files sent shock waves through the Bureau. "The purpose of the FBI is to safeguard sources," a senior FBI agent appalled by the Wickman affair told me.

It says nobody in the FBI will talk on the record and I understand that Senator Specter is likely to have some closed-door hearings with you and others on this.

You were asked earlier about this and you said you had no knowledge of it. Since the time that you were asked about this, I am sure you have looked into it because Mr. Wickman is one of your leading investigators. Can you tell us the circumstances surrounding this?

Mr. FREEH. With respect to—first of all, I know Mr. Wickman from several years of working with him and, in fact, I presented his 25-year key to him not too long ago. He has never told me, and I think he has the kind of relationship with me that he could, he has never told me or complained to me or said anything to me which indicated he was leaving for any other reason except that he wanted to retire.

I extended him beyond the mandatory retirement age of 57 so he could stay. He was certainly welcome from my point of view to stay. I know he has spoken to Senator Specter. I understand he is going to speak to this committee. I have heard, as you have heard, this notion that he left because he was unhappy because he was forced to turn over files. I certainly don't know of any basis in fact for that. The idea——

Mr. BURTON. Have any agents in your Department in any way inferred that that is factual to you?

Mr. FREEH. No, in fact they have come back to me upon my inquiry and said, no, he has said that he is retired because he wanted to retire and did not retire because he felt forced. The other thing—excuse me. The idea that he was told to turn in his sources is a nonsensical notion.

FBI agents don't have sources that are not official sources with files. You don't, when you leave the FBI, take those sources with you. In fact, you are not supposed to have a source that is not set up and documented according to our guidelines. So that would not be a realistic situation.

Mr. BURTON. So nobody in the FBI has inferred in any way that he was distraught or concerned about possible leaks of intelligence

sources that he had that might be in jeopardy if they were turned over to the Justice Department?

Mr. FREEH. No, I have heard other people have reported to me that when he left he was not, he was not altogether happy about certain things. But nobody has told me, and I have asked this question several times, that he left because he was being told to hand in any sources.

Mr. BURTON. I understand that nobody may have told you that. What I am trying to find out is, have any agents or anybody at the Bureau indicated that he was dissatisfied with the Justice Department regarding its inquiry into his sources?

Mr. FREEH. No, sir.

Mr. BURTON. You have no knowledge of that?

Mr. FREEH. I have heard, as you have heard, and apparently as a reporter has heard, that he made complaints to people that he was unhappy with his assignment, but when I asked people to get the facts and report back to me, they told me that that was not the case, that he retired because he was beyond his mandatory age and wanted to retire.

Mr. BURTON. Well, all I can tell you is that I know Mr. Novak and I see my time has expired. He has talked, according to him and his article, with FBI agents who have verified the things that I just mentioned to you. If that is true, I wish you would look into it because you are the head of the FBI and this committee and I would like to know if there is any credence to what has been said.

Mr. FREEH. I will look into it.

Mr. BURTON. Would you report back to me? If it is sensitive information that should not be made public, you may rest assured that it will not be made public, but I would like to know about that. We are cleared for top secret. If there is any indication whatsoever that there was some concern about sources regarding the Chinese giving contributions to people in this country, and we know from reports in the Washington Post that the Chinese Government has been giving contributions to political people in this country, and if there was some kind of a threat to any of those sources, it is imperative that the Congress know about that and we can keep that secret, but we need to look into it.

Mr. FREEH. I will report back to you, Mr. Chairman.

Mr. BURTON. Thank you.

Mr. Turner.

Mr. TURNER. Mr. Chairman, I would like to yield to Mr. Lantos for a minute.

Mr. LANTOS. Thank you very much. I just want to conclude on this exchange between Mr. Burton and yourself. During your entire testimony, you were never as animated as you were in response to this. And basically, Director Freeh, you are denying the validity of this Bob Novak story; is that correct, sir?

Mr. FREEH. As far as I am concerned, I don't have any basis in fact. I think what we need to do is talk to the people with firsthand knowledge and direct knowledge and I will report back to you.

Mr. LANTOS. Could I ask you what is the mandatory retirement age?

Mr. FREEH. Fifty-seven.

Mr. LANTOS. When did this gentleman retire?

Mr. FREEH. I know it was extended for a year.

Mr. LANTOS. So he was over 57.

Mr. FREEH. Yes, he was over 57.

Mr. LANTOS. So what we are dealing with is an off-the-wall Bob Novak story. I thank the gentleman for yielding.

Mr. BURTON. Would you care to comment on that, off the wall?

Mr. FREEH. You raised a serious issue. It is a serious issue that when it was raised in the article, I asked that people make inquiry. And I have gotten back, as far as I have seen, I haven't seen a written report, but as far as I have been told, he did not leave because he was being forced to turn over files. The notion that he had sources that he took with him, that is just not, that is not the way we do business. I will conduct further inquiry.

I have been reluctant to call Mr. Wickman myself. I have not done that. Let me see if I can get some more facts for you, and I will report back to you. It is a serious enough allegation that I will look into it more fully.

Mr. LANTOS. I thank the gentleman for yielding.

Mr. TURNER. Director Freeh, I know you have a unique perspective on the campaign finance system. As you know, there are many of us who are working very hard to reform that system. We believe that the campaign contribution limits ought to be meaningful, that there should not be a system that is a dual system where we tell folks they give $1,000 to a candidate, but if they want to give $100,000 in so-called soft money to a party or nonprofit group that is OK.

You have seen it all. You have investigated, I am sure, hundreds of cases. Is there, in your opinion, is there any doubt in your mind that soft money is being used to influence the election and re-election of candidates for Federal office?

Mr. FREEH. As I said yesterday, it is an area that I do not think is appropriate for me to give an opinion on because I am the investigator who is trying to determine whether people either intentionally or unwittingly crossed lines or boundaries or violated statutes. I don't think my experience in the criminal investigation is really relevant to the statutory scheme. I don't think it is appropriate for the Director to be giving an opinion on that.

Mr. TURNER. Well, without stating opinion as to whether you think it is good or bad, I mean in terms of your investigation, have you seen what we call soft money influencing the outcome of elections in this country?

Mr. FREEH. I just would rather not comment on that.

Mr. TURNER. A little bit earlier you were asked some questions about the FBI's being, some of the agents saying they were maybe hindered and the timing of their investigation because of the Independent Counsel Act had not been triggered and therefore they could not move forward as quickly as maybe they wanted to. Do you recall that testimony earlier?

Mr. FREEH. Yes.

Mr. TURNER. Without discussing the specifics of any evidence, was there any indication that any evidence was covered up, altered or compromised by any delay?

Mr. FREEH. It is almost an impossible question to answer. I mean I don't know. Please do not infer from that, that there was.

I do not think you could calculate an answer that would be accurate.

Mr. TURNER. Well, there is no, you have no personal knowledge that there was any evidence covered up, altered or compromised by virtue of the delay. You have no personal knowledge of it?

Mr. FREEH. From a criminal point of view?

Mr. TURNER. Yes.

Mr. FREEH. No. No personal knowledge.

Mr. BURTON. Would the gentleman yield? Could you expand upon that? I will give the gentleman more time. You said not from a criminal point of view. Was there a cover-up in any other area?

Mr. FREEH. Well, my inquiry is a criminal inquiry.

Mr. BURTON. Well, I will give the gentleman more time. I think you are begging the issue, Mr. Freeh. Was there a cover-up in any other area?

Mr. FREEH. That is not the question that was asked.

Mr. BURTON. Well, I am asking the question.

Mr. FREEH. Cover up in terms of a criminal act or——

Mr. BURTON. In any area that you think was relevant.

Mr. FREEH. No.

Mr. TURNER. Mr. Freeh, you had stated in your testimony the other day that on the issues of fact, the Attorney General and I do not disagree. Was that your testimony yesterday?

Mr. FREEH. Yes.

Mr. TURNER. I am reading from a press report. That is the reason I am inquiring again. The Attorney General, in her finding regarding the Vice President's phone calls from the White House, from Federal property, concluded that there are, was no basis for concluding that his phone calls were solicitations for hard money. That was a factual determination. Is it fair to say that you do not disagree with the Attorney General regarding her fact findings?

Mr. FREEH. Well, your question—I am sorry. With respect to the facts that were developed in regard to that aspect of the investigation, there is no dispute about what the facts are.

Mr. TURNER. All right. That is what I was trying to clarify. That you had no disagreement regarding the factual findings but, rather, your disagreement was regarding the interpretation of the independent counsel law.

Mr. FREEH. The disagreement was in the ultimate recommendation. Yes.

Mr. TURNER. Does the independent counsel statute require the Attorney General to consult with the FBI?

Mr. FREEH. No.

Mr. TURNER. But in this instance because of high regard for you she sought out your opinion?

Mr. FREEH. She sought it out.

Mr. TURNER. And how much time elapsed between the time you gave her your opinion and the time that she actually issued her opinion?

Mr. FREEH. As I indicated before, these discussion have been ongoing for many, many months. With respect to the memo in question, I provided that to her about a week before her final decision.

Mr. TURNER. And you felt like that was sufficient time for her to give your opinion adequate consideration.

Mr. FREEH. Yes, because we had been discussing these issues for a long period of time.

Mr. TURNER. So, again, your disagreement was like two lawyers may disagree on the interpretation of the law.

Mr. FREEH. That is a good characteristic of it.

Mr. TURNER. Rather than any disagreement about the facts that the two of you looked at?

Mr. FREEH. We did not dispute the facts.

Mr. TURNER. And, in fact, as the FBI Director, it is your role to find and investigate and provide the facts; is that correct.

Mr. FREEH. Yes, sir.

Mr. TURNER. And it is her role to interpret them and determine what the law is that should be applied to the facts that you provide.

Mr. TURNER. Yes.

Mr. FREEH. Yes.

Mr. TURNER. Is that a fair characterization of what the appropriate role of the FBI Director is and the Attorney General.

Mr. TURNER. Yes.

Mr. FREEH. Yes.

Mr. TURNER. And I believe you stated earlier that you respected her judgment even though as lawyers you may have had a little different take regarding what the law said?

Mr. FREEH. That is correct.

Mr. TURNER. Has anybody ever been prosecuted under this 1883 Pendelton Act for making a campaign solicitation from Federal property?

Mr. FREEH. There has been some prosecution because there is some case law on it, but I don't know exactly the cases or the statutes. There are four precedents, I am told, under the statute, but not with this factual scenario.

Mr. TURNER. Were those telephone calls solicitations of campaign contributions or do they relate back to the historical basis for putting that into the law in 1883, which said you shouldn't have officials going around buttonholing their employees on the job to get money out of them for their campaign and their re-elections.

Mr. FREEH. I don't know off hand. I know the Supreme Court case is quite old, the one that talks about the statute.

Mr. BURTON. The gentleman's time has expired. I granted him some additional time because of my interruption.

Mr. Mica.

Mr. MICA. Director Freeh, you are also charged with upholding the law; is that correct?

Mr. FREEH. Yes, sir.

Mr. MICA. And it is my understanding this committee issued you a subpoena; is that correct?

Mr. FREEH. Yes, sir.

Mr. MICA. It is also my understanding that the deadline for complying with that subpoena for the request of documents was yesterday at noon; is that correct?

Mr. FREEH. That is correct.

Mr. MICA. So at this time, you are technically in contempt of our request. Similar action was taken by the Attorney General. I told her yesterday and I will tell you today that if there is not compli-

ance, I will seek contempt of Congress both against the Attorney General and against you for not complying. I am hoping that we don't have to do that.

I am glad to hear the message that was delivered first thing by you this morning from the Attorney General that we do not have to proceed in that fashion because we are willing to work with you. We have, we are not interested in everything you have on the investigation. But you have to understand, Director, where we are coming from.

I consider myself a strong advocate of the FBI and law enforcement, but I have sat here now through Travelgate, where we saw the attempted misuse of the FBI. I sat here through Filegate, where we saw the abuse by the White House of the FBI. I saw the Thompson hearings and a cache of information suddenly appears, and some of it from what I have read in press accounts in conflict to closed door briefings that were given to us. We should discuss that later, Mr. Chairman, because it raised some serious questions about national security and interference with our political system from foreign entities.

But understand where I am coming from. We are not a legislative committee, we are not an appropriations committee of Congress. We were set up in 1808 by the Founding Fathers to conduct investigations and oversight. And we are learning things from news accounts. I mean, our best sources are the Los Angeles Times, the Washington Post, the New York Times.

I am stunned to read that the Attorney General said that we could provide or you would be providing a road map. She would be providing us with a road map to the investigation and the Wall Street Journal says the FBI Director's still secret memo advocating an outside prosecutor claims that Democrats' diversion of party building funds into campaign accounts may have constituted a conspiracy reaching into the White House. Among other possible crimes he cited misuse of Government resources and obstructing justice.

Now, again, this is just a press account. But you have to understand where we are coming from; that this raises great questions about what is going on.

Mr. FREEH. I understand that.

Mr. MICA. And leaks. So that is one reason why if there are press accounts, we should see at least part of what is going on. The other thing, too, is we do not want to duplicate investigations. You have criminal responsibilities. We have congressional responsibility. So it is important that we know something of what is going on and making certain that this scandal is properly investigated.

Have any of your agents conducted any investigations in Indonesia, China, or Thailand?

Mr. FREEH. Yes, we have had leads as well as direct investigation done in many of those areas.

Mr. MICA. In all three countries?

Mr. FREEH. I am not sure exactly in all three countries, but certainly in that region and one or more of the countries. We have been actively pursuing that through our legats overseas.

Mr. MICA. I am pleased to hear that. Incidentally, you said you have issued more than 1,000 subpoenas so you have surpassed us

by over 300. You are not paying attention to whether these are Republican accusations or Democrat accusations, are you?

Mr. FREEH. No.

Mr. MICA. One part of your job is to uphold the law. I reported to the Attorney General or started to report an investigation we have conducted on possible violations of the Federal Code. If we could provide the FBI Director with one, two, three, four, five, possibly six Federal violations and one State violation.

As I indicated yesterday, Kansas instituted a law, a lot about this is about complying with laws already on the books. But Kansas instituted a law to limit the amount of Federal money coming into their States, soft money. I have a list of conduit payments in Kansas, which is absolutely outrageous, 17 States contributed money in conduit fashion to Kansas elections in conflict with their law, and I think in violation of at least five Federal statutes. Can I have your assurance that this matter will be investigated?

Mr. FREEH. Yes, sir.

[The information referred to follows:]

B. **Possible Violations of Law**

1. Kan. Stat. Ann. § 25-4153 Limits the amount of non-Kansas political party soft money that can be contributed to Kansas political parties. In order for the DNC to contribute large sums to influence the 2 Senate and 4 House races, this statute had to be circumvented.

2. 2 U.S.C. § 441f This federal criminal statute prohibits contributions being made in the name of another. Conduit payments appear to have been made through individuals, counties and other state political parties. (There is no prohibition against transfers of funds between parties. Therefore, it is arguable whether the state and county payments are covered by this statute.)

3. 18 U.S.C. § 1001 The transfer payments from the DNC to state parties can be seen as an effort to create a false report to the Federal Election Commission. Case law provides authority for this where an active misrepresentation is made with the knowledge of the reporting obligations and an attempt to frustrate these obligations is made.

4. 18 U.S.C. § 371 The conspiracy between two or more persons to effect a fraudulent scheme provides a basis for a conspiracy charge.

5. 18 U.S.C. § 241 The purposeful violation of a state's election law provides the foundation for an allegation that there was a conspiracy against the civil rights of the people of Kansas to have a fair election.

6. 18 U.S.C. § 1341, 1343 Wire fraud statutes may be applicable.

7. 18 U.S.C. § 1962 Possibility of a RICO charge.

DNC Conduit Payments to Kansas

STATE PARTIES		COUNTY PARTIES		LOCAL CANDIDATES	
Democratic parties in 17 states gave to the Kansas Democratic Party		Fifteen county parties received $5,000 from the Democratic Congressional Committee. Twelve acted as conduits for DNC payments to the State Democratic Party.		29 candidates for the Kansas Senate received $1,000 each from the DNC. 41 candidates for the Kansas House received $500 each from the DNC.	
Idaho (9/17/96)	$15,000	Cowley	$4,750	Senate	
Florida (9/27/96)	$15,000	Douglas	$4,500	19 Senate candidates sent $800 on.	
Nebraska (9/30/96)	$14,990	Ellis	$4,500	6 Senate candidates sent some $ on.	
Arkansas (10/3/96)	$15,000	Harvey	$4,500	4 Senate candidates kept the money	
Maine (10/4/96)	$15,000	Leavenworth	$4,500		
Colorado (10/4/96)	$14,990	Marshall	$4,750	House	
Georgia (10/7/96)	$15,000	Miami	$4,500	24 House candidates kept the $	
Louisiana (10/16/96)	$15,000	Osage	$4,750	11 House candidates sent $ to PAC	
Alabama (10/16/96)	$14,990	Reno	$4,500	1 candidate gave $ to State party	
Wyoming (10/18/96)	$14,990	Riley	$4,500	5 candidates returned the money.	
South Carolina (10/18/96)	$15,000	Sedgwick	$4,250		
California (10/18/96)	$14,990	Shawnee	$4,500		
South Dakota (10/18/96)	$15,000				
New Hampshire (10/21)	$15,000	Geary	Returned $5,000		
Minnesota (10/25)	$15,000	Johnson	Kept $5,000		
Michigan (10/25)	$15,000	Marion	Kept $5,000		
Montana (10/30)	$15,000				
TOTAL	**$254,950**	**TOTAL**	**$54,500**	**TOTAL**	**≥ $15,200**

TOTAL OF ALL CONDUIT PAYMENTS ≥ $324,650

County Party Transactions

Fifteen county parties received $5,000 from the Democratic Congressional Committee. They sent the following amount to the State party.		Total Receipts for the County Party
Cowley	$4,750	$5,194.00
Douglas	$4,500	$20,176.58
Ellis	$4,500	$11,928.11
Harvey	$4,500	$6,443.50
Leavenworth	$4,500	$7,272.00
Marshall	$4,750	$5,120.00
Miami	$4,500	$5,000.00
Osage	$4,750	$5,200.98
Reno	$4,500	$17,596.00
Riley	$4,500	$6,219.00
Sedgwick	$4,250	$60,644.82
Shawnee	$4,500	$34,182.00
Geary	Returned $5,000	$2,177.19
Johnson	Kept $5,000	$24,757.48
Marion	Kept $5,000	$6,829.50

Mr. MICA. Let me ask you one other question. I am concerned that—I outlined yesterday for the Attorney General what I see as a conspiracy in this whole campaign financing scheme from the Federal level and possibly from the White House. There are provisions of the RICO statute for investigation and some of this activity may now border on racketeering or conspiracy. Do you think that the RICO statute may be invoked in your investigation?

Mr. FREEH. I do not think I could comment on that at this time.

Mr. BURTON. The gentleman's time has expired. Was the question answered? We will allow Director Freeh to answer the question.

Mr. FREEH. I don't know. I can't comment on that at this time, what statutes might ultimately be implicated here, if any.

Mr. BARRETT. Parliamentary inquiry, Mr. Chairman.

Mr. BURTON. The gentleman will state his inquiry.

Mr. BARRETT. Mr. Mica indicated that he was intending to seek a contempt of Congress against Mr. Freeh for Mr. Freeh's failing, according to Mr. Mica, to comply with the subpoena. Mr. Freeh has indicated obviously that he feels this would hamper the current investigation. Under the rules, how many business days' notice is required? I feel very strongly that we should not hamper this investigation and for that reason I would vote against that motion of contempt.

Mr. BURTON. First of all, let me say that is a moot point because that is something that the Chair is not considering at this time.

Mr. BARRETT. This is a parliamentary inquiry for my knowledge. How many prior days——

Mr. BURTON. The gentleman will wait just a moment. I will check. It would be three business days.

Mr. BARRETT. I will be here if he does that.

Mr. BURTON. Obviously, we would probably all be here, but that is something that is under consideration, but we are not making any moves in that direction. We are hoping, as Director Freeh has stated earlier, that we can work this out between his counsel and the Attorney General's counsel and Mr. Bennett so that we get the information, albeit in a redacted manner.

Mr. KUCINICH. Would the gentleman yield?

Mr. BURTON. He made a parliamentary inquiry. If you have a parliamentary inquiry, you may state it.

Mr. KUCINICH. It is in connection with your statement. You said that it is under consideration.

Mr. BURTON. We have not closed any options regarding the subpoenas that were sent to the Attorney General and to the FBI Director.

Mr. KUCINICH. But as the chairman, can you inform the Members why it is under consideration?

Mr. BURTON. The Chair is not going to get into the negotiations that are taking place at the present time or will be taking place. Members of the committee will be informed if we are contemplating taking any action.

Mr. Allen.

Mr. ALLEN. Thank you, Mr. Chairman.

Mr. Freeh, you said a moment ago that you investigate equally—it makes no difference to you whether allegations are about Demo-

cratic abuses or Republican abuses. You consider it your responsibility to investigate both; is that right?

Mr. FREEH. Yes, sir.

Mr. ALLEN. That is very important because that is not what we are doing in this committee. On this committee all of the depositions and all of the interrogatories have been directed to Democratic targets. There have been 373 subpoenas issued, 364 of them have been directed to Democratic targets and not to Republican targets. There have been 178 requests for documents and 177 of those requests were related to Democratic fund-raising abuses and only 1 to Republican fund-raising abuses.

The fact is, it is unfortunate, but this committee's investigation has been far more about politics than about reform.

I am new to Washington. This is my first year. One thing strikes me from what I have seen and heard here in this past year. That is how quickly people are willing to attribute motives to you or to anyone else in this city and how quickly they will change allegiances.

You have come under attack from leading Republicans for the Jewel case, the problems with forensic labs, for Ruby Ridge and then last week when your memo was being discussed, the same people were singing your praises. I noticed in the paper just the other day when your memo was released, people were attributing motives to you that had to do with your ability to engage in bureaucratic infighting and there was a suggestion yesterday that now you are trying to appease Janet Reno and this administration.

What strikes me is that they are all wrong and that basically you are here trying to do your job, trying to take the information that you get and make the best possible decisions. And the suggestion, the speed with which people attribute motives in this city is astonishing.

I am concerned about two things here. First, I want all of us to get to the bottom of any fund-raising abuses in 1996 and 1994, any cases where the law was violated. And second, I want to see real campaign finance reform in this term of Congress. You can't help with the second, but you are critically important to the first.

So the only thing I would ask is that whenever you feel that you are being subjected to political pressure from Democrats or from Republicans that you will speak up, that you will let me know, that you will let people on this committee know, that you will let the public know so that we can stop it before it continues. I would just, my only question, sir, is will you do that?

Mr. FREEH. Yes, sir.

Mr. ALLEN. Thank you very much. I yield back the balance of my time.

Mr. BURTON. The gentleman yields back the balance of his time. Mr. McIntosh.

Mr. MCINTOSH. First let me commend the chairman on the excellent way in which you have conducted these hearings and for being fair and impartial to all sides. I want to thank you for doing that.

Second, I really have one question for you, Director Freeh, and then I want to yield the rest of my time to Mr. Barr. I guess a question and a statement.

The question for you is—and I don't think you meant this, but I want to be sure. You don't believe that because a law is an old law on the books for over 100 years that that is a reason that people shouldn't obey it and fully enforce it in the law enforcement agencies?

Mr. FREEH. No, I—no, I did not speak about that law at all. But, no, not at all. The Constitution is even older.

Mr. MCINTOSH. Exactly. I think we share that value. I find it shameful that the President and Vice President and some of their supporters are implying that because it is an old law, it has been on the books a long time, it shouldn't apply to them today, and to its full extent.

That leads me to my general point. I want to say thank you for being willing to stand up against political pressure, and I know what it is like to serve in an administration where you need to be loyal and do what you think is right.

I am offended by the Attorney General's decision not to appoint an independent counsel. And the worst thing about it is that it sends a message to the young people in America that the President and the Vice President might be getting away with something and nobody is going to appoint an independent investigator to find out if that is true. I think that is wrong. It is a terrible message for this Attorney General to send.

I appreciate the candor with which you advised her to make that appointment. I appreciate your reluctance to bring that out to the public because you have to be able to give advice to your superiors, but I want to say thank you for standing up for that principle.

With that, Mr. Chairman, I would like to yield the balance of my time to Mr. Barr.

Mr. BARR. I thank the gentleman.

Mr. Freeh, unfortunately, as in many things, just saying things in law enforcement does not make it so. The Attorney General just saying that she is going to follow evidence wherever it leads doesn't make it so. It may or may not turn out to be the case, but just saying something over and over and over again doesn't mean it. Saying that there is no political interference doesn't make it so. Saying that you are going to be independent does not make it so. Actions do, in fact, speak louder than words.

I am somewhat concerned because I think there has been political interference with the FBI during this administration. I do not think that in several instances there has been independence exercised. I think independence, for example, is when there is a crime, evidence of a crime, even the possibility of it at the highest levels of Government, which information may be destroyed. Independence means the FBI secures a crime scene, as was done in the Irangate matter, not that people are allowed to take information out. There is apparently no effort made to secure a crime scene, to me, that is not independence.

To me, independence would be when somebody from the White House seeks to obtain access to have sensitive files on American citizens. Independence means asking some very tough questions about why those files are sought, under what circumstances they will be maintained, that there be followup to make sure that those strictures are complied with. And independence does not mean that

dozens and then hundreds of files, sensitive files on law-abiding American citizens by all accounts, are turned over to political operatives.

Independence I do not think means that when a former distinguished agent such as Gary Aldrich or let us say John Doe submits a manuscript to the FBI and people at the FBI send it over to the White House for political reasons so that they can run their spin on it and prepare to take care of any embarrassing information that may be in it. That is not independence. That indicates a far too close political relationship between the bureau and administration. That is what I see. Despite your protestations that you are independent and there is no interference, the record bespeaks that there are problems.

With regard to the current situation that we have, also I was rather astounded to hear yesterday your interpretation of 28—well, the authority under which the Director of the FBI is appointed states very clearly in law passed in 1976 that the tenure of the Director of the FBI is 10 years. And if one goes back and looks at why that was done, it was done precisely so the President could not just fire a Director of the FBI for political reasons, that there has to be a reason.

Independence, to me, would be if the Director of the FBI is asked, can the President just fire you because he wants to? Independence would mean not saying, no, but, hell no, the President cannot do that; I will not tolerate that happening. If there is good cause for a President to terminate a Director of the FBI, then certainly. But I just do not understand why you seem to be going out of your way to show lack of independence in some of these things.

With regard to the memo that we are talking about, I understand as a former prosecutor that there are reasons why every communication between a Director of the FBI and an Attorney General are not to be made public. But to rely and to play into, to some extent, the attempts to trivialize this issue on the other side that this is just a disagreement among two lawyers is not accurate. You are not just another lawyer. You are not paid just to be another lawyer. You are the Director of the FBI. I will followup on that, because I do have a couple of specific questions during my time.

I thank the gentleman from Indiana for yielding.

Mr. FREEH. May I respond, Mr. Chairman?

Mr. BURTON. Yes, sir. You may respond.

Mr. FREEH. I will be happy to answer your questions. With respect to your concerns about the FBI's independence, no one has a greater concern about that than I do. I think it is important to distinguish, however, between events that happened and the perception or interpretation of independence and the actual factual issues surrounding motive and intent.

I think there are two slices to independence. There is what may be perceived to be actions which are not independent, turning over FBI files, for instance, but turning them over in a process that was 28 years old and started under the Johnson administration and which was fixed immediately by this Director as soon as it came to his attention.

So I think we have to be very careful about distinguishing between the perception of independence or nonindependence and what actually is at stake and the facts regarding motive and independence.

I am not going out of my way to trivialize or play down or emphasize my independence one way or the other. I call the shots as I see them. My job is not to please anyone in this town at the expense of doing what I think is required by my duty. If things that I do or things that the FBI does from time to time interfere with that perception, that is my fault, I have to try to correct that. But I am appropriately and politically independent, and I stake all of my integrity on that.

Mr. BURTON. Mr. Sununu.

Mr. SUNUNU. Thank you, Mr. Chairman.

Good morning, Director Freeh. Thank you very much for being here and addressing the questions people have offered in such a direct way.

Yesterday, the Attorney General indicated in her testimony that she has not initiated a 30-day preliminary investigation as to whether or not an independent counsel is appropriate in the matter of Webster Hubbell and payments involved, other allegations of illegality that I know you are investigating. Is that your understanding, that no 30-day inquiry has been initiated?

Mr. FREEH. That is correct.

Mr. SUNUNU. You worked with Hubbell in 1993 and 1994 at Justice; is that correct?

Mr. FREEH. He was at Justice while I was FBI Director.

Mr. SUNUNU. What was your working relationship?

Mr. FREEH. Well, as the Associate Attorney General, he had very little to do with the FBI in terms of my issues and what I dealt with from time to time on different issues. We would be involved with him, but we worked primarily with of course the Attorney General, the deputy, and the head of the Criminal Division.

Mr. SUNUNU. But given that level of interaction, do you think you personally would have a conflict of interest in investigating matters related to Webster Hubbell?

Mr. FREEH. No, sir.

Mr. SUNUNU. Do you think the Attorney General, in her working relationship—previous working relationship, would have a conflict of interest with the investigation of Webster Hubbell?

Mr. FREEH. I think only she can make that determination.

Mr. SUNUNU. Are you aware of Webster Hubbell's relationship with James Riady, John Huang, and others related in the campaign finance allegations—correct?

Mr. FREEH. I am aware of reports and facts involving those matters, yes.

Mr. SUNUNU. Have you had discussions with people in the Department of Justice about potential conflicts of interest——

Mr. FREEH. No.

Mr. SUNUNU [continuing]. With respect to Hubbell? With respect to Hubbell and people in the Department of Justice investigating the former No. 2 employee at the Department of Justice?

Mr. FREEH. No, I have not.

Mr. SUNUNU. I would only make the comment that it would seem to me, given his past history working with people very closely in the Department, that this would represent at least within the Department of Justice and the Attorney General's office a pretty clear case where the perception and the reality of a conflict in the investigation might exist. It would seem very appropriate, at a minimum, to initiate a 30-day inquiry as to whether or not a special prosecutor, an independent counsel, would be appropriate.

I want to ask just a couple of questions about the use of immunity. You are a former judge. You are obviously very familiar with the use of immunity, more so than I am, I am sure. It is common, is it not, to use immunity with lower-level witnesses in an attempt to gather valuable information in prosecuting higher-level members of an organization?

Mr. FREEH. That is a common procedure, yes.

Mr. SUNUNU. Are you aware that the Department of Justice initially opposed immunity for a group of nuns that wanted to provide testimony regarding conduit payment, straw donor payments; is that correct?

Mr. FREEH. I am aware of that.

Mr. SUNUNU. Did any agents that you are aware of express concern about Justice's reluctance to allow immunity to be used in that case?

Mr. FREEH. No, not that I am aware of.

Mr. SUNUNU. Do you think that their reluctance, the Department of Justice's reluctance, to use immunity in that case—did that strike you as uncommon or unusual given their, the nuns', background, their willingness to work with the committees in their investigation?

Mr. FREEH. I don't think I can make a determination on that. The issues of competing witnesses or subjects and how that relates to decisions to immunize or not immunize are, first of all, not decisions that we make in the FBI, and I was not privy to the conversations or the process in the Department on that issue.

Mr. SUNUNU. But it didn't strike you as unusual that there was such reluctance with these particular witnesses?

Mr. FREEH. I don't really have a reaction one way or the other without knowing the facts and being privy to the issues involved.

Mr. SUNUNU. Mr. Chairman, I yield the balance of my time to Mr. Mica.

Mr. MICA. Real quick, Mr. Freeh, you stated to us that while, candidly, there are startup problems and growing pains in this task force you have put together, it is my understanding that a new U.S. Attorney was recently brought in, who is that?

Mr. FREEH. Charles LaBella, who was the first assistant out in San Diego.

Mr. MICA. How long have you known him?

Mr. FREEH. I have known him many years. We were prosecutors together in the U.S. Attorney's Office in New York for several years.

Mr. MICA. Is there any reason Mr. LaBella couldn't run an investigation as an independent or special counsel rather than at the Justice Department?

Mr. FREEH. Whether he could be an independent counsel?

Mr. MICA. Right.

Mr. FREEH. I think the statute actually prohibits Department of Justice employees from being appointed.

Mr. MICA. If he was appointed, if we had an independent counsel, wouldn't he make a good one?

Mr. FREEH. I think he would be outstanding.

Mr. MICA. Thank you.

One of the problems I have is, I have learned that there is already some conflict with Mr. LaBella. He has already clashed with Lee Radek, the head of Public Integrity. I understand Mr. Radek is a very turf-conscious individual and wanting to maintain control of the—of this investigation. What is going on?

Mr. FREEH. I do not think it is appropriate for me to comment on relationships between any of the prosecutors involved. What I can comment on and what I will be happy to talk about is what the FBI is doing and whether our——

Mr. MICA. Could you then describe maybe the chain of command for us?

Mr. FREEH. As I understand it, Mr. LaBella reports to Mr. Radek. Mr. Radek is the head of the Public Integrity Section. And then from there, it goes up to Mark Richard, who is Acting Assistant Attorney General in this matter, and then up to the Attorney General.

Mr. MICA. Finally, your relationship with Mr. LaBella, you said it goes back a long way.

Mr. FREEH. Yes, we know each other very well.

Mr. MICA. In what capacity?

Mr. FREEH. We were both prosecutors, Assistant U.S. Attorneys, in the southern District of New York, going back from 1980 to 1991. We had different cases, but we knew each other very well.

Mr. MICA. Thank you for your cooperation.

Mr. BURTON. Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman.

Since Mr. Mica referred to the Director a matter pertaining to Kansas, I would like to refer to you a matter pertaining to Montana.

Triad Management Services, a secretive organization funded by ultrawealthy ultraconservatives, funneled millions of dollars into issue ads, into congressional raises, through two nonprofit organizations. We are requesting you, Mr. Director, to look into this case as you are looking into the Kansas case mentioned by my colleague.

Mr. FREEH. Let me look at the facts, and I will review it.

Mr. LANTOS. We appreciate that.

I want to deal with the contempt issue that has now been raised on several occasions. I would like Mr. Burton to pay attention. One of the problems we have had with this committee procedure throughout this entire investigation is that the committee has not operated on a bipartisan basis. The subpoenas issued to the Attorney General and the Director of the FBI we were never consulted on, we never participated in, and unanimously our side rejects the appropriateness of the subpoenas.

Now, since the subpoenas, according to Mr. Mica, have now run their course and both the Attorney General and the Director are

technically in contempt of Congress and you, Mr. Chairman, indicated you are not excluding anything, let me state for the record—and I speak for our side unanimously—that we think the notion of a contempt citation that might be issued against the Attorney General or the Director of the FBI because they are determined to uphold their oath of office is preposterous beyond words. I am convinced that should such an outrageous course of action be attempted, there will be a unanimous vote on the part of the Democrats opposing it.

I want to thank you, Mr. Director, for your excellent testimony. As always, you have conducted yourself with dignity and professionalism, and we are all hoping that you will continue in your capacity as Director of the FBI as long as you choose.

I yield back the balance—I yield to my friend, Congressman Kucinich.

Mr. KUCINICH. Thank you very much, Congressman Lantos.

Picking up on what Congressman Lantos just said, moments ago we heard the chairman of the committee relate that he was, in fact, considering contempt of Congress charges alluded to negotiations. When I asked the question, the Chair could not respond as to why.

I would hope—and I have hoped this from the beginning of these proceedings—that members of this committee, particularly the Chair, would be very slow in making statements that could be considered to be quite provocative, statements that have serious consequences.

I have a background in the media. I have a master's in communications. I have worked on the other side here. People are writing and behind the cameras; I have done that work. I know that when the chairman of a committee says the words, "We are considering contempt of Congress charges," that has impact. You write it down. You report it to the American people. But, unfortunately, what doesn't happen is, there is not a process here which substantiates chapter and verse as to why that statement should even be made.

So when we go through this whole exercise of hearings, we in the Congress, the administration, people in the media and the general public, I think that we must be very careful in using the accusations, the nuances of accusation, the rhetoric of condemnation. We are an investigative body. As an investigative body, we have to be prudent in our use of terms, just as the Director is prudent and just as the Attorney General has been very prudent in not releasing information which would smear someone.

The process of government is a very powerful process. As the wheels move, it can affect people's lives. It can affect their reputations. It can have an impact on their service. So as one member of this committee, I just feel it is my obligation, with the experience that I have, in saying that we should be very careful about the terms that we use, about the actions that we say we would take, so as not to inflame the situation or to smear someone who is serving this country.

Thank you.

Mr. BURTON. Three quick points before I yield to our last speaker.

First of all, the minority and majority counsel are working on and awaiting more information from the Senate committee which

is ceding us information on Triad. There will be, as I said before, an investigation into the Triad matter, No. 1. No. 2, the minority did get 24 hours notice on the subpoenas in question in accordance with our protocol. And third, we are trying to work things out with the Department of Justice counsel and the FBI Director's counsel regarding a memorandum.

Mr. Barr.

Mr. BARR. Thank you, Mr. Chairman.

With regard to the memo, Mr. Freeh, it is not your position that it is not being provided because of an assertion of executive privilege; is that correct?

Mr. FREEH. As far as I know, that has not been asserted yet, correct.

Mr. BARR. As a matter of fact, the Attorney General explicitly said yesterday that the refusal to comply with it was not based on a claim of executive privilege; is that correct?

Mr. FREEH. I believe she did.

Mr. BARR. Right.

Let me ask a couple of questions here. And to followup on where I began before, you are not paid by the citizens of this country to be just another lawyer; you are paid to head up a very large, very sophisticated, and very fine investigative agency, I would say the best in the world. And, therefore, when questions are asked of you, they are not asked of you at least in this context here as Mr. Louis Freeh, member of the bar. We are not interested in what two lawyers in private practice or in some prosecutorial office may disagree on from time to time. These matters are a slight deal more important than that, and the background and responsibility that you bring to answering those questions is more than just another lawyer.

So I really do not appreciate efforts by certain people on the other side to trivialize this into just, this is just another disagreement. It is not just another disagreement. We are asking questions, and the American people are asking questions, legitimately so, that go to the heart of whether or not we are going to have accountability on the part of our top leaders, whether or not there is credible, specific evidence that people in the highest levels of our Government may have violated laws. Those are very serious questions.

I would hope that when you provide advice to the Attorney General, to the President, or your people, you are providing advice not just as another member of the bar. It is also based on vast experience that you have, very distinguished experience as a Federal judge, as a Federal prosecutor, and that background, close to 2 dozen years, as you indicated yesterday, is really a great deal of background more than many other people currently in Government have.

And I do have a fairly substantive question about that, but what to do with that, but let me ask just a couple of quick questions. Did the FBI do any investigation with regard to Larry Lawrence and his background?

Mr. FREEH. Larry who?

Mr. BARR. Larry Lawrence, the fellow about the controversy at Arlington Cemetery.

Mr. FREEH. We do not do the background investigations for Ambassadors; we only do name checks and national security checks.

Mr. BARR. Would a name check have disclosed that this gentleman apparently falsified records regarding his educational and supposed military fact background?

Mr. FREEH. It depends what records we had related to the name. I don't know what they were at this point. But we would not be the people going out doing the background and checking the military records. We would simply check that name against our——

Mr. BARR. Who does that? The State Department, in that case?

Mr. FREEH. Yes, the State Department, I am told.

Mr. BARR. If you had, I presume that the FBI would not be satisfied with just what they might find. If questions are raised, they would check further, wouldn't they?

Mr. FREEH. The background investigations we do for Senate confirmees are exhaustive. It is the same background that I received, and they go beyond interviews and——

Mr. BARR. So if the FBI conducted a background check on Mr. Lawrence, would we be correct in presuming that these discrepancies, shall we say, would have been uncovered?

Mr. FREEH. We would do the fullest and most complete background——

Mr. BARR. Really, you are shortchanging the FBI. I think that they would have been.

Mr. FREEH. I would like to think——

Mr. BARR. Can't you say with some degree of certainty that, yes, the FBI is good enough that we would have uncovered that?

Mr. FREEH. I like to think that we would.

Mr. BARR. If you would have, would those facts have been made known to those that were putting this man forward for this high position?

Mr. FREEH. Yes, that would be reported to the White House.

Mr. BARR. Is the FBI—have they been asked to do any background checks on welfare people who, under the Welfare to Workfare program under this administration, are being given jobs at the White House?

Mr. FREEH. I don't know.

Mr. BARR. Taking people directly off of the welfare rolls and placing them in the White House itself physically as employees.

Mr. FREEH. OK. I don't know, Mr. Barr, but I will find out and get back you to, sir.

Mr. BARR. I would appreciate that, because it is our information, and that raises very serious security concerns, at least in the mind of this Member of Congress.

With regard now, Mr. Freeh, to your background which goes far beyond——

Mr. LANTOS. Would the gentleman yield for a moment?

Mr. BARR. No.

Mr. LANTOS. Thank you very much.

Mr. BARR [continuing]. Which goes far beyond your background and your current position, you bring to your role as Director of the FBI the vast experience that we have indicated. Obviously, and aside from the so-called memo, just putting the memorandum aside, that is—that is the issue that brings us here—looking at all

of the evidence in your background in Federal law enforcement and Federal judicial matters and prosecutorial matters, there are facts there that, as you understand them, indicate that covered persons may have violated Federal laws?

Mr. FREEH. Under the facts and the law as I understand them to be, the matter, in my opinion, should be referred to an independent counsel.

Mr. BARR. Based on the language of the independent counsel?

Mr. FREEH. Certainly, based on the statute.

Mr. BARR. Which is that, at least in pertinent part, that if there is specific credible evidence that a covered person may have violated Federal law, it should be referred to an independent counsel?

Mr. FREEH. I recommended it should be referred.

Mr. BARR. Based on that analysis, that there is specific and credible evidence that Federal laws may have been violated?

Mr. FREEH. As I said yesterday, I made my recommendation on more than one basis under the statute.

Mr. BARR. There are only two bases—is that correct?—conflict of interest and specific and credible evidence of a Federal crime.

Mr. FREEH. You are correct.

Mr. BARR. OK. And, therefore, those two are the bases on which you submitted your recommendation?

Mr. FREEH. I——

Mr. BARR. Are there any others?

Mr. FREEH. There are no others.

Mr. BURTON. Mr. Freeh, you have been very patient. Under the rules, we have finished the whole round. If Mr. Kucinich wants to make some brief comments, I will allow that. The problem is, we have two people that want to make brief comments and we have severe time constraints for the Director.

Mr. KUCINICH. What I wanted to do was to yield a minute to my friend, Congressman——

Mr. BURTON. I will make an exception, and I will allow you 1 minute and my colleague from California 1 minute.

Mr. KUCINICH. Thank you, Mr. Chairman. I yield my 1 minute to Congressman Lantos.

Mr. LANTOS. I want to thank my friend for yielding.

I cannot express outrage strong enough at Mr. Barr's observation that individuals on welfare somehow represent a unique security risk in this country. One of our colleagues, Congresswoman Woolsey, was on welfare for a protracted period of time. She is a highly respected, valuable Member of the Congress of the United States. I have no idea whether any individual who had been on welfare is currently working in the White House, but welfare recipients are American citizens to be presumed no more loyal and no less loyal than Mr. Barr, and his question to the Director looking into this issue I think is preposterous beyond words.

I thank my friend for yielding.

Mr. HORN. Mr. Chairman, I thank you. What I want to do is defend you from some of these assaults.

Mr. BURTON. Well, then I'm glad I yielded the extra time.

Mr. HORN. Thank you. You can give me a few more seconds.

The other side is talking in great shock and concern that we might think about a contempt of Congress situation. Well, this goes

back to 1792 and George Washington and the St. Clair expedition. The President decided then, give Congress all the papers on the St. Clair expedition, and he did. That was the first Congress President and the first President. And what gets me is of course we have a right to file a contempt of Congress if they don't comply with the subpoena.

Now, the chairman has indicated they tried to work something out, they'd redact certain things. The chairman might want to look at it or some designated members of the committee. But we have a clear right to compel the papers from the executive branch, and particularly the Department of Justice.

McGrain v. *Daugherty* is very clear. Every student in political science studies that case, 1927. The question was could Congress get the documents out the Department of Justice, a rather corrupt department at that time I might say. And I do not say the current one is corrupt, but we have a right to see the papers.

We've been stiffed by the White House, as I said yesterday, for 5 solid years of not providing the Congress with the evidence we need in a lot of these cases. And all I want to say, Mr. Chairman, is there is a long precedent, and we should not get upset when somebody says where if you do not give us the documents, a contempt citation will be voted. And I assure you it will be voted by the majority.

I yield the rest of my time, Mr. Chairman, to Mr. Mica, who has a point of personal privilege.

Mr. BURTON. The gentleman will state his point of personal privilege.

Mr. MICA. Just a quick closing comment that, in fact, the Director's hired by the President in this administration and the Attorney General, and if ever there is a case for us pursuing a contempt of Congress, this would be the case. We represent the people, and that's our obligation.

So, Mr. Director, if you don't get fired and we don't get smeared, we'll both being doing good. Thank you.

Mr. FREEH. Mr. Burton, may I put one thing on the record with your permission?

Mr. BURTON. You may do so.

Mr. FREEH. I got this note from my general counsel, who asked to ask a question with respect to Mr. Wickman. I'm told by my counsel that Mr. Wickman was concerned with the question of DOJ attorneys accessing what we call asset files. An asset file is not the substantive information, but lists the name and address of the informant, which is the most sensitive files that we have.

I'm told that once the DOJ attorneys understood that the asset files were not substantive, that was the end of that issue. But let me get some more information and report back to you.

Mr. BURTON. Well, I'd like to quickly have you add to the information that I'd like to have. Did his successor give any information like that that he did not want to give to DOJ after Mr. Wickman left?

Mr. FREEH. I would check that. I would be shocked if that was the case, but let me find out. I've been shocked before. Let me report back to you.

Mr. BURTON. You have been very candid. You have taken a lot of flack from some people in the committee. I just want you to know that my admiration for you has been enhanced by your performance here before the committee. I gave you a couple of pointed questions that I probably should not have, and for those things I apologize. But I look forward to working with you in the future, and I hope we can work this thing out on the memo.

Mr. FREEH. Thank you, Mr. Chairman and Mr. Lantos. It is a pleasure to appear before you. And we will work with you as closely as we can.

Mr. BURTON. The committee stands in recess until 12:30 p.m.

[Whereupon at 12:02 p.m., the committee recessed to reconvene at 12:30 p.m., the same day.]

Mr. BURTON. The committee will reconvene.

Mr. Smaltz, while you're standing, can we get you sworn, please.

[Witness sworn.]

Mr. BURTON. Thank you. Please be seated.

On September 9, 1994, Don Smaltz was appointed Independent Counsel by the Special Division of the U.S. Court of Appeals for the District of Columbia Circuit to investigate allegations that former Secretary of Agriculture Mike Espy accepted things of value from persons with business pending before the U.S. Department of Agriculture, in violation of Federal criminal statutes.

Prior to his selection as Independent Counsel, Mr. Smaltz had a distinguished career with over 30 years' experience in all areas of criminal and civil trials as a Federal prosecutor, as a law professor, and as a defense lawyer. He began Federal Government service in the Judge Advocate General's Corps for the U.S. Army, serving in the rank of captain, as Chief Military Justice Section 17 Airborne Corps, and as a trial attorney of major felonies. As an Assistant U.S. Attorney for the then southern District of California, he quickly developed a national reputation as an innovator of prosecution theories. As an example, he was the first prosecutor to successfully indict and convict a public company of making false financial statements in a registration statement under 15 U.S.C. 77.

Mr. Smaltz's private law practice has centered around white collar criminal defense and complex civil litigation matters. Notable courtroom victories include obtaining the dismissal of two separate indictments brought by the Watergate special prosecutors against President Nixon's personal tax attorney for prosecutorial misconduct and a successful 10-week jury trial on behalf of International Brotherhood of Teamsters Pension Fund, resulting in a $10 million verdict for the Fund.

He has contributed to the development and understanding of criminal law, including teaching criminal procedure at Southwestern University's School of Law in L.A., offering numerous articles on criminal law including a criminal practice case book, and serving as a panelist at numerous seminars concerning the substance and application of criminal and civil laws. His skills as a trial lawyer have been recognized through his induction as a fellow of the American College of Trial Lawyers.

In addition, Mr. Smaltz has been an active participant in the Ninth Circuit Judicial Conference, whereby judges and lawyers discuss common issues and problems in the Federal courts. Imme-

diately before being appointed independent counsel, he was the chairman of the Civil Justice Reform Act of 1990 Advisory Group, central District of California, which advised the district on methods of reducing delays and costs in the civil cases in Federal court.

He was born in Lebanon, PA, to Monroe C. Smaltz, a steelworker at Bethlehem Steel Co., and Adeline T.—Ceccini?

Mr. SMALTZ. Ceccini.

Mr. BURTON [continuing.] Ceccini, who immigrated to the United States from Italy.

He graduated from Pennsylvania State University and received his law degree from Dickinson School of Law, having financed both his undergraduate and graduate education as a jazz musician——

What did you play?

Mr. SMALTZ. My primary instrument, sir, was the trombone, but I also played the vibes and base.

Mr. BURTON. And you look like Jimmy Stewart, too—a passion he has maintained throughout the years.

Mr. Smaltz is married to the Honorable Lois Anderson-Smaltz, a Los Angeles County Superior Court judge; a father of four daughters; and a grandfather of six children. He and his wife have also adopted two sons from the Republic of Russia. That's commendable.

Do you have an opening statement, Mr. Smaltz?

Mr. SMALTZ. Yes, sir, I do.

Mr. BURTON. We will entertain that at this time.

STATEMENT OF DONALD C. SMALTZ, INDEPENDENT COUNSEL, OFFICE OF THE INDEPENDENT COUNSEL

Mr. SMALTZ. Thank you, Mr. Chairman, members of the committee.

Pursuant to subpoena, I appear here to discuss with the committee the circumstances behind our recent successful prosecution of Ronald H. Blackley and Five M Farming Enterprises, and also my concerns about the delays that resulted from the Department of Justice's decision not to prosecute Blackley and its opposition to our prosecution.

I believe this case illustrates some of the impediments to effective law enforcement that can result from efforts by DOJ to rein in the most fundamental attribute that Congress has conferred on the independent counsels, namely, their independence.

Last week a Federal jury in the District of Columbia convicted former Secretary of Agriculture Espy's Chief of Staff, Ronald H. Blackley, of three counts of lying to hide $22,000, he received in 1993, from Mississippi agri-businesses. These businesses sought and received in excess of $400,000, in USDA subsidies in the year that Mr. Blackley served as Espy's Chief of Staff, and Blackley attempted to influence and reverse a USDA decision not to provide one of those businesses with the amount of subsidies it requested.

In an earlier and related prosecution, *United States* v. *Five M Farming Enterprises,* also brought in the District of Columbia, we indicted Bruce Keith Mitchell, Sr., and Five M Farming Enterprises in May 1996. They later pleaded guilty to one count of conspiracy to illegally obtain $770,000 in USDA subsidies payments; two counts of false statements to USDA, and one count of entering

false entries on USDA forms to illegally benefit from the subsidy program.

Both of these results came in the face of strong opposition from DOJ, opposition that I believe did not have a principled basis grounded in effective law enforcement and that served to make our efforts more difficult and time-consuming.

As of late December 1994, DOJ was aware of at least some of these facts concerning Blackley and Five M but did not prosecute or otherwise pursue them. My office became aware of these facts as a natural outgrowth of our investigation of Espy, which caused us to investigate the activities of those close to him in matters related to the Department of Agriculture.

While we believed our jurisdictional mandate gave us jurisdiction over Blackley and Five M's violations, in order to avoid prolonged battles after indictment, we informally requested the Department of Justice to give us these matters as related matters under the independent counsel statute. That statute provides in section 594(e) that an independent counsel may ask either the Attorney General or the Special Division to refer to him matters related to the independent counsel's jurisdiction.

We elected to pursue the alternative outlined in the statute, and we applied directly in January 1996 to the Special Division for a referral of a related matter. DOJ vigorously opposed our application, and litigation ensued. DOJ argued that the requested referral was not truly related to our jurisdictional mandate and would not concede, despite the clear wording of the statute, that the Special Division had the power to make such a referral without DOJ's blessing.

However, I am firmly of the view that the only real motivation behind DOJ's opposition was attempting to keep the Special Division, and hence the independent counsel, from exercising too much independence from DOJ. In other words, DOJ wants to control the scope and direction of the independent counsel investigations. I draw this conclusion because the connection between the requested referral and my original jurisdiction, which was quite broad, should be obvious to an objective observer.

The Special Division, in a published opinion on April 1, 1996, stated that, in exercising its power to refer a related matter, the court "makes explicit the independent counsel's jurisdiction over a matter that was implicitly included in the original grant of prosecutorial jurisdiction." It concluded that I have "shown that the new matter is demonstratively related to the factual circumstances that gave rise to the Attorney General's initial investigation and request for appointment of an independent counsel."

Now, after we indicted Five M Enterprises, they moved to dismiss the prosecution, contending that we didn't have jurisdiction. The trial judge there, Judge Jackson, went so far as to review for himself the record we had put before the Special Division on the referral application, and he concluded that the referral was indeed proper.

Another reason why I do not believe that DOJ's opposition to the referrals had anything to do with how closely the matters were related was the contrasting position it took in *United States* v. *Tucker*. The only real distinction between the two cases is that DOJ

made the Tucker referral, but was bypassed in the decisionmaking process for our referral. Thus, the real reason for DOJ's strident opposition to this referral appears to have been a turf war. It simply would not concede that the Special Division could make a referral of which it did not approve.

DOJ's opposition thus was just an attempt to convince the Special Division not to exercise the power that this Congress had affirmatively given it in 1987. As I have already indicated, the Special Division was unpersuaded, and it granted the referral. This was, I submit, in keeping with the whole philosophy of the Independent Counsel Act, which is, after all, to minimize DOJ's control over the independent counsel investigation.

As Chief Judge Edwards of the D.C. Circuit Court of Appeals perceptively noted, quote, "The entire purpose of the independent counsel statute was to provide independence from the executive branch."

Defendant Blackley's motion to dismiss on jurisdictional grounds his indictment gave the district court occasion to reflect on the need for independence for independent counsel. In denying the motion to dismiss, Judge Lamberth, the trial judge, stated, quote, "For the independent counsel to play a meaningful role, he or she is necessarily expected to act in a manner different from, and sometimes at odds with, the Department of Justice."

Although it lost the referral fight more than a year and a half ago, DOJ has continued to publicly assail our efforts. Recent articles in the New York Times and another in the New Yorker Magazine has cited high DOJ officials as criticizing my office for pursuing these matters in the larger context of disparaging statements that describe the current independent counsels as, quote, "overzealous amateurs who have tried repeatedly to expand jurisdiction."

These articles then attempted to fix the blame on present independent counsel for Ms. Reno's apparent reluctance to appoint an independent counsel in current matters. Such statements, coming as they do from DOJ personnel and apparently sanctioned at the highest level, are shocking. They threaten to undermine not only the efforts of the independent counsels and the already difficult job in prosecuting public corruption, but also the fair administration of justice.

The courts have held that the Blackley prosecution was foursquare within my original jurisdictional mandate. The statute clearly authorized the procedures we followed. And DOJ's unwarranted efforts to curtail the scope and direction of my investigation significantly delayed our investigation and prosecution.

Thank you very much, Mr. Chairman. I have some prepared remarks I'd like submitted. And that concludes my opening statement.

Mr. BURTON. Without objection.

[The prepared statement of Mr. Smaltz follows:]

STATEMENT OF INDEPENDENT COUNSEL DONALD C. SMALTZ REGARDING PROSECUTION OF RONALD H. BLACKLEY

Before the Committee on Government Reform and Oversight
United States House of Representatives
Dan Burton, Chairman
December 9, 1997

INTRODUCTION

Mr. Chairman, Members of the Committee -- I appear before you today pursuant to subpoena issued under your oversight responsibilities for government operations. I will provide information consistent with my responsibilities as a federal prosecutor and all applicable laws, including Federal Rule of Criminal Procedure 6(e), which prohibits me from revealing any grand jury material.

On August 8, 1994, Attorney General Reno filed an Application with the Special Division of the United States Court of Appeals for the District of Columbia Circuit for an Independent Counsel to investigate whether any violations of federal criminal law were committed by Secretary of Agriculture Espy, and to determine whether prosecution was warranted. That five-page Application reviewed the background and surrounding allegations against then-Secretary Espy, the nature of some of the gratuities allegedly received by Espy, the applicable criminal statutes, the strictures of the Independent Counsel

Act, the Attorney General's findings, and a Statement of Recommended Jurisdiction. A copy is submitted at Exhibit 1. Approximately one month later -- on September 9, 1994 -- I was sworn in as Independent Counsel, with a broad jurisdictional grant that authorized me to investigate to the maximum extent authorized by law whether Secretary Espy "committed a violation of any federal criminal law . . . relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture . . . . [and] to investigate other allegations or evidence of violation of any federal criminal law . . . developed during the Independent Counsel's investigation" of Secretary Espy and "connected with or arising out of that investigation." A copy of the Special Division's Order is submitted as Exhibit 2.

To date, my office has successfully investigated and prosecuted a variety of individuals and businesses for a wide-range of federal criminal law. We have obtained convictions of 7 individuals, 4 corporations, and 1 law firm, and civil damages and fine of $1,050,000 from a major securities broker dealer. To date, we have recovered more than $4.5 million in fines and penalties. A summary identifying the prosecutions we initiated to date, and the results of those proceedings, is submitted as Exhibit 3. Our prosecutions have included convictions of one corporation and its senior vice president of giving Secretary

Espy in excess of $6,000 in gratuities; illegal campaign contributions under the Federal Election Campaign Act; falsification of corporate books and records to conceal $46,000-worth of illegal campaign contributions under the Foreign Corrupt Practices Act; interstate transportation of stolen property and money laundering resulting from a $20,000 illegal campaign contribution; false statements to the Federal Election Commission, a federally insured bank, federal investigators, and federal agencies.

The Committee has inquired of the circumstances behind our recent successful prosecution of Ronald H. Blackley, and my concerns about the delays that resulted from the Department of Justice's opposition to that prosecution. I believe this case illustrates some of the impediments to effective law enforcement that can result from efforts by DOJ to rein-in the most fundamental attribute that Congress has conferred on the independent counsels -- namely, their independence.

On December 1, 1997, we convicted Ronald H. Blackley of three counts in violation of 18 U.S.C. § 1001. Defendant Blackley, as Chief of Staff to the Secretary of Agriculture, was the "alter-ego" of the Secretary of Agriculture. He was one of the most powerful persons in USDA, which in 1993 had a budget in excess of $60 billion and over 100,000 employees. As Chief of Staff, Blackley

had significant input and considerable influence in many of the wide variety of USDA programs and decisions including government subsidies to agri-businesses. Blackley was convicted of three counts of lying to hide $22,000 he received in 1993, in violation of 18 U.S.C. § 1001, from Mississippi agri-businesses he previously represented. These businesses sought and received in excess of $400,000 in USDA subsidies in the one year that Blackley served as Espy's Chief of Staff, and Blackley attempted to influence and reverse a USDA decision not to provide one of those businesses with the amount of subsidies it requested.

In January 1993, prior to Mr. Espy's confirmation as Secretary of Agriculture, issues arose as to possible conflicts of interest between defendant Blackley and various Mississippi agri-business entities he had represented. Blackley had served as an agriculture aide to Mississippi Congressman Espy from 1989 until Espy was appointed Secretary of Agriculture. Beginning sometime in 1987, he operated a private consulting firm -- Ron Blackley & Associates -- which, among other things, advised agri-businesses seeking farming subsidies from USDA. In response to conflict of interest allegations and questions raised by Senate Agriculture Committee staff members, Blackley claimed that he had severed all his business relationships, and in January 1993 had no personal business interests. He said that his only source of income was the Congressional

salary he was receiving as a Congressional aide to then Congressman Espy. Espy, on January 21, 1993, appointed Blackley as his Chief of Staff at USDA.

The jury found in Count One that defendant Blackley knowingly and willfully made false, fictitious and fraudulent statements and representations by omitting to disclose the $22,000 he received from Mississippi agri-businesses on his 1993 Public Financial Disclosure Report. Blackley, as a senior government official in the Executive Branch, was required by the Ethics in Government Act to file complete and accurate Public Financial Disclosure Reports so the reviewing agency and the public would know of any conflicts of interest. The agri-businesses that gave Blackley the $22,000 had been clients of Blackley's consulting business and had matters pending before USDA.

In February 1994 defendant Blackley changed jobs from Chief of Staff to Chairman of the Loan Resolution Task Force of USDA. In August 1994, after the Attorney General filed her application for appointment of an Independent Counsel to investigate allegations of misconduct by Secretary Espy, the Office of Inspector General of the USDA commenced an investigation of Blackley. Allegations had arisen that, while Chief of Staff, Blackley had intervened on behalf of certain Mississippi agri-businesses who were former clients of Blackley's consulting business and who had appeals pending before USDA. The

USDA-IG's investigation disclosed that in 1993, out of a total of only ten nationwide agri-business appeals to reach the highest USDA senior review level in Washington, D.C., five of these were from Mississippi. Each of these five involved a former client of Blackley, and each was granted some relief after Blackley as Chief of Staff intervened.

During the course of that USDA-IG investigation, defendant Blackley made statements to the agents that he had severed all prior business and financial interests upon being appointed Chief of Staff; that in 1993 he received no income or consulting fees directly or indirectly from previous clients; that his only income was his USDA salary; and that his 1993 Financial Disclosure Report was correct. The jury found defendant Blackley guilty of Count Two, which charged that in November 1994, Blackley made these false representations and concealed the $22,000 in a sworn statement that he gave to those investigating agents.

In 1995 defendant Blackley resigned from the USDA and became a Special Assistant to the Administrator -- United States Agency for International Development. On May 23, 1996, following the investigation by the Office of Independent Counsel, the grand jury indicted Five M Farming Enterprises, Brook Keith Mitchell, and his son, Brook Keith Mitchell, Jr., for conspiracy to defraud the USDA and false statements to illegally obtain $700,000 in USDA subsidies.

Blackley was identified as an unindicted co-conspirator in the Five M/Mitchell scheme and, after that disclosure, the USAID Inspector General commenced an investigation to determine whether Blackley's Top Secret security clearance should be withdrawn. The jury convicted Blackley of Count Three which charged that he lied to USAID-IG investigators in a sworn statement he gave them that, "after I ended my consulting business and entered U.S. Government service I did not receive any remuneration of any kind from Mitchell or anyone else."

The evidence at trial revealed that defendant Blackley not only accepted more than $22,000 from Mississippi agri-business entities regulated by USDA, he also attempted to influence, and have reversed, an adverse decision concerning one of these entities that had received over $300,000 in subsidy payments from the USDA in 1993, and then lied repeatedly by denying his receipt of the $22,000 -- on his Public Financial Disclosure Form; to the Inspector General of USDA; and to the Inspector General of USAID. Each of the three Counts of 18 U.S.C. § 1001 of which Blackley was convicted carries a maximum of five years imprisonment and a $250,000 fine, and the date for Blackley's sentencing has been set for February 12, 1997.

This corrupt activity by a senior executive government official undermines the public's confidence in the regulatory process and suggests to the public that government largesse goes not necessarily to those most entitled to it -- but to those who are cozy with the regulators or to those who are willing to purchase it.

As the Supreme Court observed:

> A democracy is effective only if the people have faith in those who govern, and that faith is bound to be shattered where high officials and their appointees engage in activities which arouse suspicion of malfeasance and corruption.

In my judgment it is a prosecutor's sworn duty and obligation to fully investigate and, where appropriate, vigorously prosecute those Executive Officials who illegally accept things of value from persons and entities who have matters pending before that Executive's department, or who lie about things of value received from regulated entities, whether the lie occurs on Financial Disclosure Reports or to government investigators.

In the earlier related prosecution, *United States v. Five M Farming Enterprises, et al.*, Brook K. Mitchell, Sr. and Five M Farming Enterprises pleaded guilty to one count of conspiracy to illegally obtain $770,000 in USDA subsidy payments, two counts of false statements to USDA and one count of false entries

on USDA forms to illegally obtain the subsidy program.

Both the Five M Farming and Blackley convictions came in the face of strong opposition from DOJ, opposition that, I believe, did not have a principled basis either in effective law enforcement or in the Independent Counsel statute. That opposition, however, served to make our efforts more difficult and time-consuming.

I will give only the briefest summary of the facts behind these prosecutions here. The *Five M* defendants were a 5,000-acre farming operation in Mississippi, and the farmers who owned it; they received substantial but undeserved subsidies from the Department of Agriculture in the early 1990s, and were close to then-Congressman Mike Espy. Blackley, at the time, was an aide to Congressman Espy, who moonlighted as a farm consultant, and who in that capacity drew up the fraudulent farm plans that brought the *Five M* defendants their illegal subsidies. When Secretary Espy named Blackley as his chief of staff, Blackley was alleged to have intervened before the Department of Agriculture in favor of the *Five M* defendants to help them get $179,000-worth of agriculture subsidies, which USDA had previously denied them. Blackley lied to the USDA and on his 1993 Public Financial Disclosure Report to conceal the fact that he had been receiving monetary payments from entities with interests before the

Department, and on whose behalf he intervened.

As of late December, 1994, DOJ was aware of at least some of these facts, but declined in March 1995 to prosecute or otherwise pursue them. My office became aware of these facts as a natural outgrowth of our investigation of Secretary Espy. Although we believed that our jurisdictional grant authorized us to proceed, in an effort to avoid the endless challenges to jurisdiction we approached DOJ to see if it would be willing to refer Blackley and matters in which he was involved to us as related matters under 28 U.S.C. § 594(e). In informal discussions, DOJ refused to recognize this office's jurisdiction over Blackley, and urged us not to seek referral from the Special Division, even though Section 594(e) authorized me to ask either the "AG or the division of the court to refer . . . matters related to the IC's prosecutorial jurisdiction."

We applied, on January 25, 1996, to the Special Division of the U.S. Court of Appeals for the District of Columbia Circuit for referral of a related matter, which is authorized in § 594(e) of the Independent Counsel statute. Specifically, we sought:

> The jurisdiction and authority to investigate and prosecute any violation of any federal law, other than a Class B or C misdemeanor, by any organization or individual, related to any application, appeal, or request for subsidy made to or considered by the United States

> Department of Agriculture, for which Secretary of Agriculture Alphonso Michael (Mike) Espy and/or his Chief of Staff Ronald Blackley intervened in the application, approval, or review process.

This application, together with accompanying evidentiary documents, was necessarily filed under seal, but since we wanted to be entirely above-board in our relations with DOJ, we simultaneously served a copy of the Application on DOJ. Not long afterward, DOJ filed a vigorous opposition to our Application, we then filed a reply, and there was a succession of other pleadings filed both by DOJ and us. These filings as a whole remain under seal, but at a later time the Special Division released redacted versions of some of them to the public. Copies of these unsealed pleadings are submitted as Exhibits 4A -- Opposition of the United States to Application For Referral of Related Matter, filed February 20, 1996; 4B -- Office of Independent Counsel's Reply In Further Support of Its Application For Referral of Related Matter, filed February 26, 1996; and 4C -- Order of the Special Division authorizing Independent Counsel Smaltz to make public previous sealed Order re jurisdiction, dated May 22, 1996.

DOJ gave two reasons why it did not want our application to be granted. The first, they argued, was that the requested referral was not truly related to our jurisdictional mandate. The second was that DOJ would not

concede -- despite the clear wording of the statute -- that the Special Division had the legal power to make such a referral without DOJ's blessing. However, I am firmly of the view that the only real motivation behind DOJ's opposition was the latter reason -- *i.e.*, an attempt to keep the Special Division, and hence the independent counsel, from exercising too much independence from DOJ. In other words, DOJ wants to control the scope and direction of the Independent Counsel's investigation.

I draw the conclusion that DOJ did not really believe that the requested referral was unrelated to my jurisdiction for two reasons. The first is that the connection between the requested referral and my original jurisdiction should be quite obvious to an objective observer. Indeed, in considering our Application, the Special Division noted:

> In referring a related matter, this court is interpreting, but not expanding, the independent counsel's original prosecutorial jurisdiction, thus permitting the court to make explicit the independent counsel's jurisdiction over a matter that was implicitly included in the original grant of prosecutorial jurisdiction.

In re Espy, 80 F.3d 501, 509 (D.C. Cir., Special Division for the Purpose of Appointing Independent Counsels, 1996), submitted as Exhibit 5.

The Special Division, in granting the referral, summarized the situation as follows:

> We conclude that IC Smaltz has shown that the new matter is demonstrably related to the factual circumstances that gave rise to the Attorney General's initial investigation and request for appointment of an independent counsel. He has identified evidence allegedly showing a pattern of conduct involving payments or gifts to Espy and his close associates in return for favorable treatment by the Department of Agriculture, which was developed during the IC's original investigation of Secretary Espy's acceptance of gifts from parties with business pending before the Department of Agriculture and which arose out of that investigation and is connected with it.

Id. at 509.

Likewise, in the *Five M* prosecution, the trial judge -- The Honorable Thomas Penfield Jackson -- went so far as to review for himself the record put before the Special Division on the referral application, and concluded anew that the referral was entirely proper:

> [T]he court agrees that the Special Division acted within its authority, primarily because the Five M Farming case is "demonstrably related" to the Espy investigation [Independent Counsel] Smaltz was appointed to oversee. *Morrison*, 487 U.S. at 679 (establishing "demonstrably related" standard). The Court has reviewed *in camera* the evidence of relatedness before the Special Division,

> and has no doubt that referral of this case did not impermissibly expand the Special Division's original grant of jurisdiction.

U.S. v. Five M Farming Enterprises, Order entered 10/28/96. (Submitted as Exhibit 6)

The second reason why I do not believe that DOJ's opposition to the referral had anything to do with how closely the matters were related was the contrasting situation in *United States v. Tucker*. In *Tucker*, a Whitewater prosecution brought against defendants not named in the original Whitewater mandate, DOJ itself made the referral, and then aggressively (and successfully) defended the referral all the way to the Eighth Circuit. I won't go into the complicated *Tucker* facts here -- they can be found at 78 F.3d 1316 and 1319-1320 -- but it is difficult if not impossible to perceive a principled basis upon which our requested referral could be opposed while the *Tucker* referral is supported. The only real distinction between the two is that DOJ made the *Tucker* referral but was bypassed in the decision-making process for our referral.

Thus, the real reason for DOJ's strident opposition to this referral appears to have been a turf war -- it simply could not concede that the Special Division could make a referral of which it did not approve. DOJ was, in effect, trying to preserve an earlier decision of the Special Division, *In re Olson*, 818 F.2d

34, 47 (D.C. Cir., Special Division for the Purpose of Appointing Independent Counsel, 1987), which had at least suggested the Special Division could not make a referral without DOJ's acquiescence. However, following the *Olson* decision, Congress had amended section 594(e) expressly to establish that either DOJ or the Special Division could make such referrals. (The Special Division reviewed this legislative history at 80 F.3d 504 to 506). DOJ's opposition thus was just an attempt to convince the Special Division not to exercise the power that Congress had affirmatively given it.

As I have already indicated, the Special Division was unpersuaded, and it granted the referral. This was, I submit, in keeping with the whole philosophy of the independent counsel act, which after all is designed to minimize DOJ's control over the independent counsels' investigations. As Chief Judge Edwards of the D.C. Circuit Court of Appeals perceptively noted, "the 'entire purpose' of the independent counsel statute was to provide *independence from the Executive Branch* . . . ." (*In re Charge of Judicial Misconduct or Disability*, 39 F.2d 374, 382 (emphasis in original).

Nevertheless, although the referral was ultimately granted, DOJ's refusal to refer -- and its opposition to our application to the Special Division -- significantly delayed our efforts. Aside from the considerable delay involved in

clarifying our ability to proceed -- in excess of eight months -- DOJ's opposition is continually raised by defendants as a means of resisting prosecutions. In both the *Five M* and the *Blackley* prosecutions, defendants vigorously argued against our jurisdiction to proceed, almost solely on the basis of DOJ's opposition. Not surprisingly, the courts just as vigorously shot this defense down, but not without a considerable expenditure of time and resources on our part to defend the referral yet again. Indeed, as of today, Secretary Espy is actively opposing our pending prosecution of him on this very same ground, even though his indictment is totally unrelated to the referral. On November 5, 1997, Espy filed a motion to dismiss his Indictment for "Defects in the Institution of the Prosecution." The motion is predicated on the claim that "the Special Division acted in violation of the Ethics In Government Act and exceeded the constitutional limits of the Special Division's authority, by conferring additional prosecutorial jurisdiction upon the Independent Counsel over the objection of the Attorney General."

Defendant Blackley's pretrial motion to dismiss his indictment on jurisdictional grounds gave the district court occasion to reflect on the need for the independence of the independent counsel. In denying Blackley's motion to dismiss, Judge Lamberth stated, in his Memorandum Opinion filed November 12, 1997 (copy submitted as Exhibit 7):

> [I]f an Independent Counsel is supposed to operate as nothing more than the identical twin of the Department of Justice, with no permissible variance in prosecutorial discretion, then the need for the Independent Counsel structure becomes highly questionable. *Underlying the Attorney General's decision to proceed under 28 U.S.C. § 592 and invoke the Independent Counsel statute is a presumption that the executive branch is an ineffective prosecutor of high ranking federal executive officials and national campaign committee officers, and where conflicts of interest may affect the Department of Justice's objective exercise of prosecutorial discretion* . . . . For the Independent Counsel to play a meaningful role, he or she is necessarily expected to act in a manner different from, and sometimes at odds with, the Department of Justice . . . . (emphasis added).

Id. at 15-16.

Blackley claimed that his prosecution for false statements was contrary to DOJ policy which, according to him, proscribed prosecution of 18 U.S.C. § 1001 violations unless the non-disclosure concealed significant underlying wrongdoing. He asserted that, under § 594(f)(1) of the Ethics in Government Act, an Independent Counsel is required to comply with the established policies of DOJ and, therefore, his prosecution was invalid. Judge Lamberth, in rejecting that claim, stated:

> The question ultimately presented by this challenge to the indictment is whether the charges against Ronald Blackley present a case where adherence to DOJ policies would be inconsistent with the purposes of the

Independent Counsel statute, and therefore permissible under section 594(f)(1). The court's answer is in the affirmative, as *it is this court's conclusion that these alleged violations of 18 U.S.C. § 1001, which involve either "knowing" or "willful" false statements by Blackley, involve the type of ethically-based offenses which the section 594(f)(1) "to the extent possible" exception anticipates.* Therefore, the Independent Counsel may prosecute this case, even if said prosecution is contrary to the general prosecutorial policies of DOJ.

. . .

In this court's view, *adherence to an executive branch policy that directs a prosecutor to not pursue indictments against executive branch employees for their criminal ethical violations is in direct contravention with the task with which an Independent Counsel is charged* . . . . For this reason, to follow the policy of DOJ would be "inconsistent with the purposes of this chapter [the Independent Counsel statute]" and, therefore, departures from the policy are not only permissible, but expected.

. . . . *Potential criminal ethical violations that may be too small to concern the Department of Justice are nonetheless properly within the purview of the Independent Counsel because the Independent Counsel is, in a sense, charged with the responsibility of ensuring that public officials have maintained the highest standards of ethical conduct.* Following an executive branch policy concerning 18 U.S.C. § 1001 could prevent an Independent Counsel from performing the exact task that the executive branch, the Special Division, and by implication, the public, have asked him or her to perform. (emphasis added)

Although it lost the referral fight more than a year and a half ago, DOJ itself has been other than totally passive in this matter. Two recent articles -- in the *New York Times* -- have cited high DOJ officials as criticizing my office for pursuing these matters, in the larger context of disparaging statements that describe the current independent counsels as "overzealous amateurs who have tried repeatedly to expand jurisdiction," and then attempting to blame them for Attorney General Reno's decision whether or not to appoint an Independent Counsel in current matters. For example, the *New York Times* of November 25, 1997 (Exhibit 8) reported:

> Ms. Reno's unwillingness to seek an independent prosecutor in the campaign finance case appears to be shaped by her experiences -- almost all bad from her point of view -- with other outside counsels appointed at her request since she took over in 1993 . . . .
>
> . . .
>
> [I]n recent years, top advisors to Ms. Reno have complained bitterly about the quality of independent prosecutors . . . .
>
> . . .
>
> [Some Justice Department] officials regard four of the five independent prosecutors appointed under Ms. Reno as overzealous amateurs who have tried repeatedly to expand jurisdiction . . . .
>
> . . .
>
> [S]ome lawyers who have worked with the Attorney General in recent years have said she seems to impose a higher standard as dissatisfaction with the counsels has increased.

These remarks are particularly unsettling because the overwhelming majority of the attorneys in the independent counsel offices are detailed from DOJ and the United States Attorney offices, and a significant portion of the remainder are former DOJ employees or AUSAs. Similarly, most of the investigators in the independent counsel offices are on detail from the FBI or other federal investigative agencies. Disparaging the quality of personnel in the independent counsel offices brings disrepute upon the Department of Justice and those enforcement services from which they are drawn.

In a similar vein, the *New York Times* of November 29, 1997 reported:

> [A]fter repeated clashes with independent prosecutors, Ms. Reno and her advisors have grown disillusioned with many aspects of the independent counsel law, say Justice Department officials, current and former.
>
> . . .
>
> Ms. Reno's disputes with independent prosecutors, waged largely in closed arguments and sealed court documents, are emerging as a sobering experience that is shaping her views . . . .
>
> . . .
>
> Mr. Smaltz has aggressively urged Ms. Reno to broaden his jurisdiction since his appointment in 1994 . . . . He tangled with her once over whether he could expand his charter to investigate Tyson to see whether it had given unlawful gratuities to other officials. Ms. Reno barred a broader inquiry.

(Submitted as Exhibit 9).

Finally, in addition to these recent news reports, the December 1, 1997 *New Yorker* magazine article "Janet Reno, Alone," which relies in part on interviews with the Attorney General and others at DOJ, states: "Reno, meanwhile, has quietly -- and unsuccessfully -- made an effort to rein in some of those far flung prosecutions. *Some suggest that this setback to Reno's authority may be affecting her current decisions.*" (p. 45) (emphasis added). Such statements, coming as they do from federal prosecutors and apparently sanctioned at the highest level, are nothing less than shocking. They threaten to undermine not only the efforts of the independent counsels in the already difficult job of prosecuting public corruption, but also the fair administration of justice.

Amazingly, these statements were made to the press at a time that allowed them to be published while the jury was hearing the *Blackley* case. The potentially devastating effect of such statements on the prosecution, had they been read by the jurors and given credence, is apparent.

The Independent Counsel statute commands the Special Division, in defining an Independent Counsel's scope of prosecutorial jurisdiction, to:

> assure that the Independent Counsel has adequate authority to fully investigate and prosecute the subject matter with respect to which the Attorney General has

> requested the appointment of the Independent Counsel, and all matters related to that subject matter."

28 U.S.C. § 593(b)(3). The Special Division accepted verbatim the jurisdictional grant proposed by Attorney General Reno in her August 8, 1994 Application (Exhibit 1). In that Application, she specifically acknowledged:

> *In order to ensure that prosecutive decisions are made without any possible appearance of conflict of interest, the Act places significant constraints on the Department's ability to exercise its customary prosecutorial discretion when investigating a person under the Act.* The Department must apply for the appointment of an Independent Counsel whenever information in the Department's possession presents a potential violation of federal criminal law other than a Class B or Class C misdemeanor or an infraction, and "there are reasonable grounds to believe that further investigation is warranted." 28 U.S.C. § 592(c) . . . . *It should be left to the Independent Counsel to exercise prosecutorial discretion and to determine whether additional investigation and/or prosecution is warranted in this matter.* (emphasis added)

Id. at p.4.

Accordingly, the jurisdictional grant authorized me not only to investigate and prosecute whether Espy "committed a violation of any federal criminal law . . . relating in any way to the acceptance of gifts by him" from USDA-regulated individuals or companies, but also to investigate and prosecute other violations of any federal criminal laws "developed during [any]

investigation . . . and connected with or arising out of that investigation." The Independent Counsel statute, § 594(e), authorized the procedure of applying to the Special Division; the courts have held that the *Blackley* prosecution was four-square within that jurisdictional mandate; and DOJ's unwarranted efforts to control the scope and course of my investigation significantly delayed our investigation.

Thank you.

I would be pleased to answer any follow-up questions from the Committee.

Mr. BURTON. I'm going to have Mr. Bennett ask some questions, and then I'll follow him. Mr. Bennett.

Mr. BENNETT. Thank you, Mr. Smaltz. Nice to see you here today. I think, for the record, I notice that you've brought four obviously very hard-working members of your staff with you. I wondered if you want an opportunity to introduce those people to us here today?

Mr. SMALTZ. Certainly. Immediately to my left is Charles Bakaly, who's been with my office since I've been sworn in. Next to him is my right and left hand, Jan Drake. She is my personal secretary and who worked very hard to get this opening statement and the submitted statement typed. Next is Rocsoe Howard, one of our lead trial attorneys. Mr. Howard is a professor of law at the University of Kansas, and he has taken a sabbatical from there to come and work in my office on behalf of some prosecutions. And next to him is Nathan Muyskens, who is a young lawyer who worked in the Senate for a while and decided to come over and see how a prosecutor's office functions and is doing a very, very fine job.

Mr. BENNETT. Welcome to all of you here.

Mr. Smaltz, I don't believe you and I ever met until today; is that correct?

Mr. SMALTZ. That is correct.

Mr. BENNETT. In fact, I think we've only spoken on the telephone maybe three times for I believe less than 10 minutes. Would that be an accurate statement?

Mr. SMALTZ. That's accurate.

Mr. BENNETT. Have you been particularly politically active, sir, prior to arriving here today?

Mr. SMALTZ. No.

Mr. BENNETT. What political activity have you engaged in going back from college forward?

Mr. SMALTZ. Well, when I was in college, I was president of the young Democrats.

Mr. BENNETT. You mean the young Republicans?

Mr. SMALTZ. No, I mean the young Democrats. I was a very, very die-hard Democrat for many years. And I had almost an apolitical political life outside of making an occasional contribution to one candidate or another. I have never sought any elected public office.

Mr. BENNETT. Have you ever held any appointive office in any Republican administration?

Mr. SMALTZ. No.

Mr. BENNETT. I believe Chairman Burton indicated that your wife is a judge in Los Angeles; is that correct?

Mr. SMALTZ. She is.

Mr. BENNETT. And with respect to your professional background, Mr. Smaltz, I should note, in addition to the strong résumé recited by chairman, that the Director of the FBI, as Mr. Lantos aptly notes, the very distinguished Director of the FBI Louis Freeh, paid you high compliments here early this morning. I'm not sure you heard those compliments, but he was quite complimentary of your outstanding reputation, and we are pleased to have you here.

Mr. SMALTZ. Glad to hear that. Thank you.

Mr. BENNETT. Let me just go into the matter of your original appointment by the Special Division of the U.S. Court of Appeals with

respect to the investigation of former Secretary of Agriculture Espy.

Did you actively seek that appointment?

Mr. SMALTZ. No. I put my name in—my name had been put in consideration for—as a possible candidate for an independent counsel if the need would ever arise. I didn't even know it was put in originally until I was subsequently told. I sent in my résumé and sat back and waited, and the next thing I know, I got a call from the Special Division, who told me they were looking for someone to act as independent counsel in connection with the application the Attorney General had filed.

Mr. BENNETT. And I believe that you have brought a series, I think, of nine exhibits with you here today; is that correct?

Mr. SMALTZ. Yes, sir.

Mr. BENNETT. Mr. Chairman, I would perhaps move that those exhibits, which I think are numbered Smaltz 1 through 9, be made part of the record.

Mr. LANTOS. Does staff have authority to make motions at the committee, Mr. Chairman?

Mr. BENNETT. I will withdraw that, Mr. Lantos, and would note that the Chair ask that they be marked as exhibits.

Mr. LANTOS. I think it is appropriate to differentiate between the functions. I chose not to object to staff beginning the questioning, which I have felt all along is an inappropriate procedure, but there is a line beyond which you really transgress upon your position as staff attorney, Mr. Bennett.

Mr. BENNETT. And, Mr. Lantos, I meant no offense, and I apologize to you, sir.

Mr. BURTON. The Chair would note that, under the protocol which was passed by the committee early on, the chief counsel to the committee has the right to question for up to 30 minutes with the consent of the chairman. And you are correct, Mr. Lantos, however, that he can't make any kind of a motion like that.

So I will make the motion that those be included in the record. And without objection, so ordered.

[The information referred to follows:]

United States Court of Appeals
For the District of Columbia Circuit

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT
INDEPENDENT COUNSEL DIVISION

FILED AUG 0 8 1994
RON GARVIN
CLERK

In re ALPHONSO MICHAEL (MIKE) ESPY) AV No. 94-2

APPLICATION TO THE COURT PURSUANT TO 28 U.S.C. § 592(c)(1) FOR THE APPOINTMENT OF AN INDEPENDENT COUNSEL

In accordance with the Independent Counsel Reauthorization Act of 1994 ("the Act"), I hereby apply for the appointment of an Independent Counsel to investigate whether any violations of federal criminal law were committed by Secretary of Agriculture Alphonso Michael (Mike) Espy, and to determine whether prosecution is warranted.

Background. On March 17, 1994, there was a press report that Tyson Foods, Inc., a major poultry processing corporation headquartered in Arkansas, was receiving lenient treatment from the Department of Agriculture on a number of pending regulatory issues. The article also described a number of alleged gratuities received by Secretary Espy. Based on the article, the Department of Agriculture Office of Inspector General conducted an inquiry into the alleged gratuities, and subsequently, on April 19, 1994, referred to the Department of Justice allegations that Secretary Espy may have violated 21 U.S.C. § 622, the anti-gratuity provision of the Meat Inspection Act, by accepting gifts from Tyson Foods.

At the time of the Department's receipt of these allegations, the Independent Counsel Act had not yet been reauthorized, following its lapse in December 1992. The

Department's Public Integrity Section investigated the allegations. I have reviewed the investigative findings in light of the strictures and procedures of the Act, as signed into law on June 30, 1994, and I conclude, within the meaning of the Act, that "there are reasonable grounds to believe that further investigation is warranted" of allegations that Secretary Espy violated a federal criminal law other than a Class B or C misdemeanor or an infraction.[1] 28 U.S.C. § 592(c)(1)(A).

Gifts Accepted by Secretary Espy. Investigation developed evidence that Secretary Espy accepted gifts from Tyson Foods in the course of two separate trips, one to Arkansas in May 1993 and one to Texas in January 1994. The gifts fall into the categories of entertainment, transportation, lodging and meals. In total, the gifts amount to at least several hundred dollars in value.

In addition to the alleged gifts from Tyson Foods, the Department's investigation also included preliminary reviews of other instances in which Secretary Espy allegedly received gifts from organizations and individuals with business pending before the Department of Agriculture.

---

[1] The Act permits the Department to take up to 30 days before commencing a preliminary investigation, 28 U.S.C. § 591(d)(2), and to conduct a preliminary investigation for up to 90 additional days before determining whether the appointment of an Independent Counsel is required, id. § 592(a)(1). However, the Act does not require the Department to wait until the end of the 90-day preliminary investigation period before seeking the appointment of an Independent Counsel. In this case, based upon the current status of the Department's investigation, the Department has concluded that the matter requires "further investigation," within the meaning of the Act, by an Independent Counsel.

Applicable Statutes. The facts established by the Department's investigation represent potential violations by Secretary Espy of 21 U.S.C. § 622 and 18 U.S.C. § 201(c).

Title 21, United States Code, Section 622 is a strict anti-gratuity statute which prohibits any Department of Agriculture employee or officer with responsibilities under the Meat Inspection Act from accepting any gift from any person engaged in commerce, without regard to the intent of the donor or the donee. Subsequent judicial interpretation of this law, and a Memorandum of Understanding reached between the Department of Justice and the Department of Agriculture in July 1976, have limited somewhat the broad sweep of the law. It is now clear that a gift does not violate the statute if it is motivated by a personal or family relationship, or if it is trivial in value, such as soft drinks, coffee, pencils and coffee cups. However, the acceptance of non-trivial gifts of entertainment, transportation, lodging and meals by a Department of Agriculture official who has responsibilities under the Meat Inspection Act, from an entity that is subject to regulation by the Department of Agriculture, falls within the purview of the statute.

The other statute at issue is Title 18, United States Code, Section 201(c), the general gratuity statute. Section 201(c) requires proof that a gift was given for or because of official acts. No evidence has been developed during the investigation suggesting that Secretary Espy accepted the gifts as a reward for, or in expectation of, his performance of official acts.

However, under the Independent Counsel Act, the Department of Justice may not decline to seek the appointment of an independent counsel on the ground of a lack of evidence of the requisite state of mind "unless there is clear and convincing evidence that the person lacked such state of mind." 28 U.S.C. § 592(a)(2)(B)(ii).

Strictures of the Act. In order to ensure that prosecutive decisions are made without any possible appearance of conflict of interest, the Act places significant constraints on the Department's ability to exercise its customary prosecutorial discretion when investigating a person under the Act. The Department must apply for the appointment of an Independent Counsel whenever information in the Department's possession presents a potential violation of federal criminal law other than a Class B or Class C misdemeanor or an infraction, and "there are reasonable grounds to believe that further investigation is warranted." 28 U.S.C. § 592(c). The Act removes from the Department the power to use traditional investigative tools such as the grand jury to further develop the facts. See 28 U.S.C. § 592(a)(2)(A). It should be left to the Independent Counsel to exercise prosecutorial discretion and to determine whether additional investigation and/or prosecution is warranted in this matter.

Attorney General's Finding. In light of the strictures and procedures of the Act, I hereby apply for the appointment of an Independent Counsel because I conclude, under the Act, that

"there are reasonable grounds to believe that further investigation is warranted" of allegations that Secretary Espy violated a federal criminal law other than a Class B or C misdemeanor or an infraction. 28 U.S.C. § 592(c)(1)(A).

The Department of Justice is in possession of investigative materials and relevant documentation which it will make available to the Independent Counsel.

Recommended Jurisdiction. Pursuant to 28 U.S.C. § 593 (b)(3), I recommend and request that the Special Division of the Court grant the Independent Counsel jurisdiction to investigate Secretary Espy's possible violation of federal criminal laws such as 21 U.S.C. § 622 and 18 U.S.C. § 201, by accepting gifts from organizations or individuals regulated by the Department of Agriculture, and to determine whether prosecution is warranted. The Independent Counsel should be given all the power, authority and obligations outlined in 28 U.S.C. § 594. In this connection, I have appended hereto a recommended statement of the scope of prosecutorial jurisdiction for the Independent Counsel.

Respectfully submitted,

Janet Reno
Attorney General of the United States

DATED: Aug. 8, 1994

RECOMMENDED STATEMENT OF JURISDICTION OF INDEPENDENT COUNSEL

The Independent Counsel shall have jurisdiction and authority to investigate to the maximum extent authorized by the Independent Counsel Reauthorization Act of 1994 whether Alphonso Michael (Mike) Espy, Secretary of Agriculture, has committed a violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture.

The Independent Counsel shall have jurisdiction and authority to investigate other allegations or evidence of violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, by any organization or individual developed during the Independent Counsel's investigation referred to above, and connected with or arising out of that investigation.

The Independent Counsel shall have jurisdiction and authority to investigate any violation of 18 U.S.C. § 1826, or any obstruction of the due administration of justice, or any material false testimony or statement in violation of federal criminal law, in connection with any investigation of the matters described above.

The Independent Counsel shall have jurisdiction and authority to seek indictments and to prosecute any organizations or individuals involved in any of the matters described above, who are reasonably believed to have committed a violation of any federal criminal law arising out of such matters, including organizations or individuals who have engaged in an unlawful conspiracy or who have aided or abetted any federal offense.

The Independent Counsel shall have all the powers and authority provided by the Independent Counsel Reauthorization Act of 1994.

United States Court of Ap
For the District of Columbia C

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

FILED SEP 0 9 1994
RON GARVIN
CLERK

Division for the Purpose of
Appointing Independent Counsels

Ethics in Government Act of 1978, As Amended

In re: In re Alphonso Michael (Mike) Espy

Division No. 94-2

Order Appointing
Independent Counsel

Before: SENTELLE, *Presiding*, and BUTZNER and SNEED, *Senior Circuit Judges*.

Upon consideration of the application of the Attorney General pursuant to 28 U.S.C. § 592(c)(1)(A) for the appointment of an independent counsel with authority to exercise all the power, authority and obligations set forth in 28 U.S.C. § 594, to investigate whether Alphonso Michael (Mike) Espy, Secretary of Agriculture, has committed a violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture; it is

ORDERED by the Court in accordance with the authority vested in it by 28 U.S.C. § 593(b) that Donald C. Smaltz, Esquire, of the Pennsylvania and California bars, with offices at Smaltz & Anderson, 333 South Grand Ave., Suite 3580, Los Angeles, California 90071, be and is hereby appointed Independent Counsel with full power, independent authority, and jurisdiction to investigate to the maximum extent authorized by the Independent

Counsel Reauthorization Act of 1994 whether Alphonso Michael (Mike) Espy, Secretary of Agriculture, has committed a violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture.

The Independent Counsel shall have jurisdiction and authority to investigate other allegations or evidence of violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, by any organization or individual developed during the Independent Counsel's investigation referred to above and connected with or arising out of that investigation.

The Independent Counsel shall have jurisdiction and authority to investigate any violation of 28 U.S.C. § 1826, or any obstruction of the due administration of justice, or any material false testimony or statement in violation of federal criminal law, in connection with any investigation of the matters described above.

The Independent Counsel shall have jurisdiction and authority to seek indictments and to prosecute any organizations or individuals involved in any of the matters described above, who are reasonably believed to have committed a violation of any federal criminal law arising out of such matters, including organizations or individuals who have engaged in an unlawful conspiracy or who have aided or abetted any federal offense.

The Independent Counsel shall have all the powers and

authority provided by the Independent Counsel Reauthorization Act of 1994. It is

FURTHER ORDERED by the Court that the Independent Counsel, as authorized by 28 U.S.C. § 594, shall have prosecutorial jurisdiction to fully investigate and prosecute the subject matter with respect to which the Attorney General requested the appointment of independent counsel, as hereinbefore set forth, and all matters and individuals whose acts may be related to that subject matter, inclusive of authority to investigate and prosecute federal crimes (other than those classified as Class B or C misdemeanors or infractions) that may arise out of the above described matter, including perjury, obstruction of justice, destruction of evidence, and intimidation of witnesses.

It further appearing to the Court in light of the Attorney General's motion heretofore made for the authorization of the disclosure of her application for this appointment pursuant to 28 U.S.C. § 592(e) and of the ongoing public proceedings and interest in this matter, that it is in the best interests of justice for the identity and prosecutorial jurisdiction of the Independent Counsel to be disclosed,

IT IS SO ORDERED.

Per Curiam
For the Court:

Ron Garvin

Ron Garvin, Clerk

Independent Counsel Donald C. Smaltz
In Re Secretary of Agriculture Espy
(Appointed September 9, 1994)

UPDATE OF PROSECUTORIAL MATTERS

As of December 8, 1997

I. STATUS OF PROSECUTIONS

Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
1. James H. Lake Information: 10/23/95 Guilty Plea: 10/25/95 Court: Hon. Judge Ricardo M. Urbina-Washington, D.C.	Guilty of one count of wire fraud relating to $5,000 illegal campaign contribution scheme and two counts of Federal Election Campaign Act ("FECA") violations resulting from $4,000 in illegal campaign contributions to Henry Espy for Congress.	Sentencing: 1/16/98
2. 5M Farming Enterprises, Inc., Brook K. Mitchell, Sr., and Brook K. Mitchell, Jr. Indictment: 5/22/96 Guilty Plea Mitchell, Sr. and 5M Farming: 11/13/96 Court: Hon. Judge Thomas Penfield Jackson-Washington, D.C.	Guilty of one count of conspiracy to illegally obtain $770,000 in USDA subsidy payments, two counts of false statements to USDA and one count of false entries on USDA forms to illegally obtain the subsidy payments.	5M Farming Enterprises, Inc., Brook K. Mitchell, Sr. Sentencing: Not yet scheduled Brook K. Mitchell, Jr.: 1-yr. pretrial diversion
3. Crop Growers Corporation Indictment: 5/30/96 *Nolo contendere* plea: 1/21/97 Court: Hon. Judge Gladys Kessler-Washington, D.C.	Guilty of one count of conspiracy to defraud Federal Election Commission ("FEC") resulting from $46,000 in illegal campaign contributions to Henry Espy for Congress and one count violation of Foreign Corrupt Practices Act resulting from falsification of corporate books and records to conceal the illegal campaign contributions.	Sentence: $2,000,000 fine
4. John J. Hemmingson and Gary A. Black Indictment: 5/30/96 Trial: 1/27/97 Verdict: 2/13/97 Court: Hon. Judge Gladys Kessler-Washington, D.C.	Not guilty of one count of conspiracy to defraud FEC resulting from $46,000 in illegal campaign contributions to Henry Espy for Congress and two counts of false statements to FEC to conceal the illegal campaign contributions.	

Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
5. Sun-Diamond Growers of California Indictment: 6/13/96 Trial: 9/9/96 Verdict: 9/24/96 Court: Hon. Judge Ricardo M. Urbina-Washington, D.C.	Guilty of one count of providing illegal gratuities worth $14,287 to Secretary Espy and others, two counts of committing mail fraud resulting from $5,000 illegal campaign contribution scheme and five counts of making illegal campaign contributions to Henry Espy for Congress worth $4,000. Not guilty of one count of providing illegal gratuity worth $3,100 to Secretary Espy's girlfriend;	Sentence: $1.5 Million fine; 5 yrs. probation w/special conditions -Def. appealing conviction -Appeal not yet under submission to D.C. Circuit Court of Appeals
6. Alvarez Ferrouillet Indictment: 7/9/96 Trial: 12/2/96 Verdict: 12/19/96 Court: Hon. Judge Edith Brown Clement-New Orleans, LA.	Guilty of one count of interstate transportation of stolen property resulting from $20,000 illegal campaign contribution to Henry Espy for Congress, seven counts of money laundering of the $20,000 illegal campaign contribution, and two counts of false statements to government agents to conceal source of the $20,000 illegal campaign contributions.	Sentence: One year imprisonment$10,000 fine -Def. appealing conviction -OIC appealing sentence -Appeal not yet under submission to Fifth Circuit Court of Appeals
7. John Hemmingson Indictment: 7/9/96 Trial: 12/2/96 Verdict: 12/19/96 Court: Hon. Judge Edith Brown Clement-New Orleans, LA.	Guilty of one count of interstate transportation of stolen property resulting from $20,000 illegal campaign contribution to Henry Espy for Congress and two counts of money laundering of the $20,000 illegal campaign contribution. Not guilty of one count of money laundering of the $20,000 illegal campaign contribution.	Sentence: One year imprisonment; $30,000 fine; $20,000 restitution -Def. appealing conviction -OIC appealing sentence -Appeal not yet under submission to Fifth Circuit Court of Appeals
8. Alvarez Ferrouillet, Municipal Healthcare Cooperative, Inc and Ferrouillet & Ferrouillet Indictment: 7/9/96 Transferred: 11/6/96 Guilty Plea: 2/24/97 Court: Hon. Judge L.T. Senter, Jr.-Oxford, MS	Guilty of one count of conspiracy to make false statements to federally insured bank to induce and extend repayment deadline on $75,000 loan and to make false statements to FEC to conceal $46,000 in illegal campaign contributions to Henry Espy for Congress and five counts of false statements to a federally insured bank.	Ferrouillet sentencing consolidated with no. 6 above; Municipal Healthcare Sentence: 5-year term of inactive probation , and Ferrouillet & Ferrouillet Sentence: $10,000 fine

Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
9. Henry Espy Indictment: 7/9/96 Transferred: 11/6/96 Trial: 2/24/97 Judgment: 3/4/97 Court: Hon. Judge L.T. Senter, Jr.-Oxford, MS.	Not guilty of one count of conspiracy to make false statements to federally insured bank to induce and extend repayment deadline on $75,000 loan and to make false statements to FEC to conceal $46,000 in illegal campaign contributions to Henry Espy for Congress and not guilty of five counts of false statements to a federally insured bank.	
10. Jack L. Williams Indictment: 9/17/96 Trial: 3/17/97 Verdict: 3/21/97 Defense Motion For New Trial Granted: 6/4/97 Court: Hon. Judge James Robertson-Washington, D.C.	Guilty of two counts of false statements to government agents concealing knowledge of (1) gratuities worth $1,119 given to Secretary Espy and others, (2) scholarship to Secretary Espy's girlfriend and (3) nature of his relationship with Secretary Espy and girlfriend.	
11. Richard Douglas Indictment: 10/16/96 Trial: 10/28/97 Verdict: 11/24/97 Court: Hon. Judge Thelton E. Henderson-San Francisco, CA	Guilty of one count of providing gratuities worth $7,600 to Secretary Espy and others. Hung jury on one count of providing gratuity worth $3,100 to Secretary Espy's girlfriend. Not guilty of one count mail fraud violations relating to $5,000 illegal campaign contribution scheme and five counts of FECA violations resulting from $4,000 in illegal campaign contributions.	Sentencing: To be scheduled
12. Norris J. Faust, Jr. Indictment: 11/19/96 Trial: 2/12/97 Verdict: 2/14/97 Court: Hon. Judge William H. Barbour, Jr.-Jackson, MS	Not guilty of three counts of perjury before a Federal Grand Jury concealing the circumstances surrounding the change in a Mississippi state USDA regulation in 1993.	
13. Ronald H. Blackley Indictment: 4/22/97 Trial: 11/17/97 Verdict: 12/1/97 Court: Hon. Judge Royce C. Lamberth-Washington, D.C.	Guilty of three counts of false statements to government agencies to conceal receipt of $22,025 from prohibited sources while serving as Secretary Espy's Chief of Staff.	Sentencing: 2/12/98

Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
14. Smith Barney, Inc. Complaint: 7/29/97 Settlement Agreement: 7/29/97 Court: Hon. Judge Thomas A. Flannery-Washington, D.C.	Liable for procuring a breach of a fiduciary duty and interference with Secretary Espy's agency relationship with the USDA and the Executive Branch and unlawfully supplementing the salary of a federal government official with gift of $2,200 ticket to Super Bowl to Secretary Espy.	Fine: $1,050,000

II. STATUS OF CASES AWAITING TRIAL

Indictments	Charges
15. Richard Douglas Indictment: 10/16/96 Trial: To Be Scheduled Court: Hon. Judge Thelton E. Henderson-San Francisco, CA	Charged with nine counts of wire fraud resulting from false statements on $416,000 mortgage application.
16. Alphonso Michael Espy Indictment: 8/27/97 Trial: To Be Scheduled Court: Hon. Judge Ricardo M. Urbina-Washington, D.C.	Charged with twelve counts of deprivation of honest services by mail and wire fraud, thirteen counts of accepting gratuities worth $25,458, three counts of accepting gifts in violation of Meat Inspection Act worth $4,221, five counts of traveling in interstate commerce to violate Meat Inspection Act and federal gratuity statute, one count of false statements to USDA regarding travel involving gifts received from prohibited sources, one count of directing a subordinate to falsify travel itinerary in response to request from USDA investigators, one count of false statements to government agents concealing source of gifts, two counts of false statements resulting from failure to disclose $12,752 in gifts on financial disclosure form, and one count of false statements to the Office of the President concealing gifts received.
17. Jack L. Williams Superseding Indictment: 9/30/97 Trial: 2/2/98 Court: Hon. Judge James Robertson-Washington, D.C.	Charged with two counts of violating Meat Inspection Act by providing $1,216 in gifts to Secretary Espy and others and two counts of false statements to government agents concealing his knowledge (1) of gifts worth $1,119 for Secretary Espy and others, (2) scholarship to Secretary Espy's girlfriend, and (3) nature of his relationship with Secretary Espy and girlfriend.

III. STATUS OF APPELLATE CASE AWAITING DECISION

Indictment	Charges	Status of Appeal
18. Richard Douglas Indictment: 10/16/96 Charges Dismissed by Court: 4/2/97 Court: Hon. Judge Thelton E. Henderson-San Francisco, CA	Two counts of false statements to federal agents concealing nature of relationship with Secretary Espy and source of tickets for Secretary Espy to attend NBA Championship Game.	Under submission to Ninth Circuit Court of Appeals

United States Court of Appeals
for the District of Columbia Circuit
FILED FEB 20 1996
CLERK

IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Division for the Purpose of
Appointing Independent Counsels

IN RE ALPHONSO MICHAEL (MIKE) ESPY	Division No. 94-2

OPPOSITION OF THE UNITED STATES TO APPLICATION FOR REFERRAL OF RELATED MATTERS

The United States of America hereby opposes the Application by Independent Counsel Donald C. Smaltz for referral of certain matters pursuant to 28 U.S.C. § 594(e), the referral provision of the Independent Counsel Reauthorization Act of 1994 (the Act).[1]

First, the matters involved here are not "related" to Mr. Smaltz's prosecutorial jurisdiction within the meaning of section 594(e). This Court appointed Mr. Smaltz to investigate whether former Secretary of Agriculture Alphonso Michael Espy "committed a violation of any federal criminal law ... relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture." Under section 594(e), additional matters can be referred to Mr. Smaltz as "related" if they are necessary to support investigation of this core jurisdiction or when they are factually intertwined with the events underlying his core jurisdiction. The matters as to which Mr. Smaltz now seeks

[1] The Independent Counsel Reauthorization Act of 1994 is codified at 28 U.S.C. §§ 591-599.

referral -- alleged fraud by two farmers in connection with farm subsidy applications -- do not meet this test. They are not factually intertwined with his core jurisdiction, but are factually distinct. Furthermore, Mr. Smaltz's contention that he should be permitted to prosecute these matters because they will permit him to advance his underlying investigation is based solely on conjecture. A section 594(e) referral based on this rationale requires clear factual support, not mere speculation.

Second, to avoid constitutional issues of Separation of Powers, section 594(e) should be read to require the concurrence of the Attorney General before this Court will refer matters to an independent counsel. Any contrary interpretation would raise grave constitutional questions of Separation of Powers, by transferring fundamental Executive Branch functions to the Judicial Branch, and would undercut the key premise based upon which the Supreme Court sustained the Independent Counsel Act in Morrison v. Olson, 487 U.S. 654 (1988). Furthermore, this Court's decision in In re Olson, 818 F.2d 34 (D.C. Cir. 1987), particularly when read in light of the Supreme Court's decision in Morrison, makes clear that the concurrence of the Attorney General is required. In this case, it is the conclusion of the Attorney General that the matters at issue are not related to the jurisdiction of Mr. Smaltz, but are instead matters that can and should be pursued by the Department of Justice.

STATEMENT

Following the application of the Attorney General for the appointment of an independent counsel, this Court on September 9, 1994, appointed Mr. Smaltz as Independent Counsel to investigate:

> whether Alphonso Michael (Mike) Espy, Secretary of Agriculture, has committed a violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture.

The Court further gave Mr. Smaltz jurisdiction to:

> prosecute the subject matter with respect to which the Attorney General requested the appointment of independent counsel, as hereinbefore set forth, and all matters and individuals whose acts may be related to that subject matter, inclusive of authority to investigate and prosecute federal crimes ... that may arise out of the above described matter, including perjury, obstruction of justice, destruction of evidence, and intimidation of witnesses.

In addition, since the appointment of Mr. Smaltz, on its own initiative the Department of Justice has referred three related matters to him pursuant to 28 U.S.C. § 594(e). [redacted]

[redacted]

[2] Independent Counsel Smaltz notified this Court of his acceptance of this referral by letter dated October 14, 1994.

[redacted]

Independent Counsel Smaltz did not make a formal request to the Attorney General for referral of the matters now at issue. Instead, prior to the filing of the present Application, representatives of the Independent Counsel's Office met with representatives of the Justice Department's Criminal Division, informally described the facts now before the Special Division, and asked for the Department's views as to whether these were related matters that could be referred to Mr. Smaltz. The Office of Independent Counsel was informally advised that, because its explanation of why these allegations were related to the underlying investigation appeared to be based solely on speculation and conjecture, referral as a related matter pursuant to section 594(e) likely would be inappropriate, and that the matter instead should be handled by the Department of Justice. As it has with respect to other matters, it was made clear that the Department would cooperate with Mr. Smaltz and would inform him should the investigation of this matter develop any information relevant to his inquiry.

Thereafter, without formally requesting that the Attorney General refer this matter to him, Mr. Smaltz filed the Application now under consideration by this Court, seeking referral pursuant to 28 U.S.C. § 594(e) of the following matters:

---

[3] Independent Counsel Smaltz notified this Court of his acceptance of this referral by letter dated November 10, 1994.

- The jurisdiction and authority to investigate and prosecute any violation of any federal law, other than a class B or C misdemeanor, by any organization or individual, related to any application, appeal, or request for subsidy made to or considered by the United States Department of Agriculture, for which Secretary of Agriculture Michael Espy and/or his Chief of Staff Ronald Blackley intervened in the application, approval, or review process.

Application at 4.

ARGUMENT

The referral sought by Independent Counsel Smaltz is improper for two reasons. First, the matters at issue are not "related" to his original jurisdiction, as required for referral under 28 U.S.C. § 594(e). Second, to avoid constitutional infirmities, section 594(e) should be interpreted to require the concurrence of the Attorney General before the Court can refer a matter.

I. THE REQUEST DOES NOT CONCERN A "RELATED MATTER" AND THUS CANNOT BE REFERRED TO INDEPENDENT COUNSEL SMALTZ BY THIS COURT

A. The Jurisdiction of an Independent Counsel is Limited: An independent counsel holds a unique office within the federal government. His power is at once extraordinarily broad, in that he is entitled to exercise "all investigative and prosecutorial functions and powers of the Department of Justice," 28 U.S.C. § 594(a), and simultaneously sharply limited in scope. In the words of the Supreme Court, "[n]ot only is the Act itself restricted in applicability to certain federal officials suspected of certain serious federal crimes, but an independent counsel can only act within the scope of the jurisdiction that

has been granted by the Special Division pursuant to a request by the Attorney General." Morrison v. Olson, 487 U.S. at 672.

Thus, the Act contemplates that an independent counsel will exercise vast power but within an extremely narrow scope; any steps taken must be validated by reference to his original jurisdictional mandate. He is not an ordinary federal prosecutor, free to explore wherever the evidence might lead.

The statutory system that removes day-to-day responsibility for investigation and prosecution of federal crimes from the realm of the Department of Justice is an extraordinary procedure designed to address a difficult but limited problem: the apparent conflict of interest that would exist should the Department seek to investigate allegations against high-level Executive Branch officials. As this Court has observed, "The highly limited duties of the Independent Counsel are 'fixed according to sense and the inherent necessities of the governmental [problem].' See Hampton & Co. v. United States, 276 U.S. 394, 405-406 (1928)." In re Olson, 818 F.2d 34, 44 (D.C. Cir. 1987).

As this Court and others have recognized, there are substantial constitutional pitfalls in and practical drawbacks to permitting an independent counsel to investigate any matter -- risks both to the federal criminal justice system and to individuals. In the words of this Court:

> The legislative history of the Act demonstrates that Congress appreciated the unique nature of the Independent Counsel office it created and the dangers the law posed to all touched by an investigation. The

> critical feature of the Act is that an independent counsel, because he investigates high ranking members in the Executive Branch, has a very large measure of independence from the executive.

This Court went on to quote the legislative history, which identified the same problem:

> One of the serious problems with the appointment of a truly independent special prosecutor [*] is that there is no one [except, in limited circumstances, the court] supervising the activities of the special prosecutor. Inherent in such a situation is the possibility of a runaway prosecutor or a special prosecutor who does not bring the prosecutions that should be brought.

In re Sealed Motion, 880 F.2d 1367, 1370 (D.C. Cir. 1989)(quoting S. Rep. No. 170, 95th Cong., 1st Sess. 70 (1977)(1977 Senate Report)). Acceptance of the risks posed by the independent counsel procedure is only justified by the conflict of interest that would otherwise exist. The rationale necessary to support this extraordinary procedure weakens and eventually crumbles when the investigation wanders from its focus on the person covered by the provisions of the Act.

The limited scope of an independent counsel's jurisdiction is thus of central importance to the statutory scheme. An independent counsel's investigative and prosecutorial authority is built around a core jurisdiction, which is the "subject matter with respect to which the Attorney General has requested the appointment of the independent counsel," 28 U.S.C. § 593(b)(3). These are the particular allegations involving a covered person

---

[*]The original title "special prosecutor" was changed to "independent counsel" in the course of the 1982 Reauthorization of the Act.

that were the focus of the preliminary investigation that led to the appointment of the independent counsel. Depending on the nature of the allegations, as well as the number of subjects and their alleged roles, that core jurisdiction can be very broad, involving a number of institutions and individuals and their dealings with each other over a period of time, as was the case with the Iran/Contra investigation, or it can be quite narrow, as is the matter entrusted to Independent Counsel Smaltz.

In addition, when this Court is defining the original jurisdiction of a newly appointed independent counsel, the statute directs this Court to describe his or her authority broadly enough to cover "related matters," but only to the extent necessary to ensure that the independent counsel has "adequate authority to fully investigate and prosecute the subject matter with respect to which the Attorney General has requested the appointment of the independent counsel." 28 U.S.C. § 593(b)(3). "Related matters" covered by this Court's original grant of jurisdiction thus include such matters as the possible participation of suspected coconspirators, efforts by the subject of the investigation to hide or disguise participation in the alleged crime, and additional potential crimes arising from the same facts described in the Attorney General's request for appointment, such as a tax violation arising from a bribe that is the subject of the referral.

B. Statutory Framework for Referral of Related Matters: Following appointment of an independent counsel, the statute also

recognizes that additional "related matters" may arise that will need to be and appropriately should be handled by the independent counsel. The procedures established by Congress for referral of these additional "related matters" are based on a recognition that there is no clearcut boundary demarcating a criminal investigation; the borders are hazy and may require adjustment as an investigation progresses. See United States v. Wilson, 26 F.3d 142, 148 (D.C. Cir. 1994)("[s]ince the relationship between ongoing DOJ investigations and OIC inquiries may not be apparent from the very beginning of any given investigation, the Act provides a mechanism through which the OIC and the DOJ may clarify and fine-tune their respective jurisdictions," citing section 594(e)). The statute recognizes and the Department agrees that in order to fully investigate and prosecute the core offense -- the particular allegation against the covered person that led to the appointment of the independent counsel -- the independent counsel must have some authority to inquire into and perhaps even prosecute other allegations against other individuals.

The provision regarding referral of related matters is section 594(e), which provides in pertinent part:

> (e) **Referral of other matters to an independent counsel.**-- An independent counsel may ask the Attorney General or the division of the court to refer to the independent counsel matters related to the independent counsel's prosecutorial jurisdiction, and the Attorney General or the division of the court, as the case may be, may refer such matters.

Although section 594(e) does not define "related," assessment of whether a particular matter is "related" to an independent counsel's core jurisdiction should be informed by Congress's use of the same term in section 593(b)(3), which directs this Court to define an independent counsel's original jurisdiction broadly enough to ensure that he or she is able to "fully investigate and prosecute" his or her core jurisdiction. Moreover, even if a matter is "related" to an independent counsel's jurisdiction, the Attorney General is vested with discretion in determining whether it should be referred. The statute uses the permissive auxiliary "may" rather than "shall," and the legislative history makes it clear that the provision is intended to permit a flexible, cooperative accommodation between an independent counsel and the Department on matters outside an independent counsel's core jurisdiction:

> The Committee expects that there will have to be coordination between the special prosecutor and the Attorney General to sort out the jurisdiction of the special prosecutor as it relates to the ongoing investigations of the Department of Justice. If these adjustments require the referral of related matters from the Department of Justice to the special prosecutor, there is no need to involve the division of the court other than to inform the division of the court that such an arrangement has been reached.

1977 Senate Report at 68-69. The Senate Report later points out, "As was discussed with respect to section 594(e), there will have to be a certain amount of coordination and cooperation between a special prosecutor and the Department of Justice so that the lines of jurisdiction between the Department and the special prosecutor are clear and adequately encompass any peripheral

matters related to the special prosecutor's jurisdiction." Id. at 76.

Congress's prediction was correct. Over the years, the Department of Justice has on many occasions analyzed requests for referral of related matters and decided whether referral would be appropriate. The Department carefully weighs all such requests, giving great deference to the views of the independent counsel. Each matter under consideration for referral is assessed on its own merits, to determine whether it is necessary to support the independent counsel's investigation of his core jurisdiction, or whether the matter is so intricately intertwined with the prosecutorial jurisdiction of the independent counsel that it cannot reasonably be handled by the Department of Justice.

In the vast majority of cases, the relationship of the matter to the independent counsel's investigation has been self-evident. In such cases, the Department has been able either to grant the independent counsel's request, or to work out a mutually acceptable resolution, such as handling a matter jointly, see, e.g., Wilson, 26 F.3d at 151 (joint prosecution), or retaining responsibility for handling the matter but keeping the independent counsel fully informed as to its progress. The Department has no desire to delay or disrupt any independent counsel investigation, as evidenced by its substantial record of cooperation and referring related matters when appropriate to Mr. Smaltz and to other independent counsels.

However, it is the Attorney General's concurrent responsibility not to abdicate the Department's obligation to handle all federal criminal investigations, unless a particular investigation should be handled by an independent counsel. It is that responsibility that the Department is fulfilling here.

C. These Matters are Not Related to Mr. Smaltz's Jurisdiction: Independent Counsel Smaltz has an important, but limited, assignment. His mandate, as requested by the Attorney General and granted by this Court, is to investigate whether former Secretary Espy committed a federal criminal violation "relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture."

Mr. Smaltz has now requested that this Court vastly expand that specific and limited assignment -- both as to scope and to persons. He requests that the Court give him authority to investigate and prosecute any criminal violation "by any organization or individual, related to any application, appeal, or request for subsidy made to or considered by the United States Department of Agriculture, for which Secretary of Agriculture Michael Espy and/or his Chief of Staff Ronald Blackley intervened in the application, approval, or review process."

[redacted]

[redacted]

On its face, then, Mr. Smaltz's requested referral goes far beyond the two specific matters he describes and claims are

---

[5] Because Mr. Smaltz is conducting his investigation independently from the Department of Justice, we have limited independent knowledge of the underlying facts he represents to this Court, and thus, for purposes of this Opposition, accept the facts Mr. Smaltz sets out in his request.

"related." His request would be improper for that reason alone, if no other. But even a more narrowly drawn request would not pass the relatedness test of section 594(e).

[redacted]

Such speculation, in the view of the Department of Justice, is not enough. Before the normal wheels of justice can be derailed by referring a potential criminal case to an independent counsel, the Attorney General should be satisfied that the case

---

6 [redacted] Any such allegation would have to be referred to the Department of Justice for a determination of how it should be handled. [redacted] 28 U.S.C. § 591(b)(7), and the Independent Counsel Act no longer is triggered by allegations against him. [redacted] such a matter would in the ordinary course be handled by the Department.

directly relates to the matter within the jurisdiction of the independent counsel, or is necessary to advance resolution of the matter that has been entrusted for handling to the independent counsel.[7] If an independent counsel could assume control over criminal matters otherwise entrusted to the Department of Justice merely by conjecture about what might be discovered if granted permission to explore such matters, there would exist no principled limits to an independent counsel's jurisdiction and unbridled power.[8]

---

[7] We note that even if this matter arguably were a related matter, it is within the Attorney General's discretion to determine whether referral is appropriate in light of all the circumstances; the statute provides that she "may" refer such matters to the independent counsel, but does not mandate referral. The legislative history expressly recognizes that there may be "peripherally related" matters as to which jurisdiction will have to be "sorted out" between the Department and the independent counsel. 1977 Senate Report at 69. There may well be practical concerns why such a matter should be handled by the Department rather than by an independent counsel, see infra at 36-38, or vice versa, and the Act permits the Attorney General to take such concerns into account in determining whether referral in each case is appropriate.

[8] Critics of the Independent Counsel Act have repeatedly expressed concern over the significant potential for abuse of power by an independent counsel. They have observed that the absence of the normal checks on conduct and exercise of discretion that are built into the organizational structure of the Department of Justice invites potential problems. As emphasized by the Congress that originally passed the Act in 1978, "the prosecutorial jurisdiction of the special prosecutor is one of the most important devices for the control of the special prosecutor and the accountability of such a special prosecutor." 1977 Senate Report at 56. The expansive view of the jurisdiction of an independent counsel advocated by Mr. Smaltz would virtually eliminate that protection, as it would permit the independent counsel to bring the full power of federal law enforcement to bear, unrestrained by effective supervision or budgetary constraints, wherever his or her speculation might lead.

A decision to grant an independent counsel authority to investigate individuals who are not covered persons for crimes in which the covered person did not participate is at the outer limits of the underlying rationale for the independent counsel's appointment; while proper in appropriate cases, such grants of authority should be invoked with care and based on a firm factual showing.[9] At the very least, approval of a referral of related matters based on this rationale should be firmly based in a factual showing supporting a conclusion that the particular individual whom the independent counsel seeks to investigate will be able to provide substantial information concerning the subject of the investigation -- here, alleged illegal gifts to former Secretary Espy.

When the request concerns an individual who is twice removed from the core jurisdiction, as is the case here, that solid foundation in investigative facts should be clearer still. Otherwise, there are no logical or principled limits on the jurisdiction of an independent counsel. He is simply granted a roving license to prosecute any individual whose path may have crossed that of the covered person -- and all individuals in turn connected to that individual -- in hope that if criminal charges can be brought, these individuals may have some relevant

---

[9] Cf., United States v. Tucker, 898 F.Supp. 654 (E.D. Ark. 1995)(appeal pending). Although we do not agree with the conclusion reached by the district court in Tucker that such matters are per se unrelated and cannot under any circumstances be referred to an independent counsel, we recognize the legitimacy of the concern expressed by that court over the potential for abuse posed by such referrals.

information that they can be persuaded to offer. A wide range of persons would thus be swept within the potential scope of an independent counsel's prosecutorial jurisdiction simply because they are friends, neighbors, family members or business acquaintances of the subject of the independent counsel's investigation.

This does not mean, of course, that any information Mr. Smaltz develops cannot be pursued. He represents that he has evidence of a fraud against the government committed by two farmers in Mississippi. The Department is always interested in specific, credible evidence of federal crimes, and stands ready to investigate and, if appropriate, prosecute any such offenses. Furthermore, as is routinely done in such matters, if these farmers have in fact committed federal crimes warranting prosecution,[10] and their cooperation can be obtained, we would inform the independent counsel and afford him the opportunity to interview the farmers, so that he can seek to add some substance to what is now only speculation. Cooperation on such matters between the Department and independent counsels is routine and has a long and successful history.

D. Mr. Smaltz's request does not come within the factors outlined in the Tucker amicus brief: Citing the Department of Justice's amicus brief in the appeal of United States v. Tucker, 898 F.Supp. 654 (E.D. Ark. 1995), Mr. Smaltz attempts to persuade

---

[10] We can express no view on the merits of the case Mr. Smaltz claims to have developed until we have reviewed the investigative record.

this Court that there exist Justice Department "guidelines" concerning referral of related matters. He contends that these guidelines consist of "eight factors" that are to be "weighed in deciding whether a matter is related to an independent counsel's prosecutorial jurisdiction," and that his request meets that test. Application at 3, 20-21. In fact, there are no fixed "guidelines" governing referral of related matters, and the Department does not "weigh eight factors" in deciding whether to refer such matters. Rather, each request is analyzed individually, on its own merits, with all the unique circumstances of the particular investigation and its needs taken into account.

In Tucker, the independent counsel obtained jurisdiction over the defendant by referral as a related matter from the Attorney General. That referral was later confirmed by an Order of this Court granting the independent counsel jurisdiction. Nevertheless, the defendant sought dismissal of the charges against him, arguing that the allegations against him were not related, and that the referral was not proper. The Department of Justice entered the litigation as amicus, arguing that the district court lacked jurisdiction to consider a challenge to the discretionary decision by the Attorney General to refer a related matter to an independent counsel.[11]

---

[11] The district court in Tucker rejected the arguments both of the Attorney General and of the independent counsel, and dismissed the indictment. That holding is currently on appeal. The holding of the district court, if followed here, would bar referral of the matters sought by Mr. Smaltz. Taking an

19

In the course of its amicus brief, the Department explained why it would be impractical and inappropriate for the court to attempt to revisit, long after the original decision had been made, the discretionary determination by the Attorney General that referral was warranted. Such review, it was suggested, would require the district court, in the context of an open adversary proceeding, to delve into the details of the investigative strategy of the independent counsel, and would involve second-guessing the Attorney General on her assessment of whether and how investigation of a related matter would in the future facilitate an independent counsel in the investigation of the matters encompassed by the core jurisdiction. To illustrate how difficult and inappropriate such a reassessment would be, the Department described for the district court several of the myriad factors that might be considered by the Attorney General in deciding whether a particular matter should be referred.

This sampling of factors, misdescribed by Mr. Smaltz as a set of "guidelines," is by no means a "test" which results in

---

extremely narrow view of what can be considered "related," the district court concluded that since the defendants were not among those named in the independent counsel's original grant of jurisdiction and the conduct described in the indictment was not part of the original grant of jurisdiction, the matter could not, by definition, be "related."

Although this Court should deny Mr. Smaltz's request, it should not be for the reasons articulated in Tucker. Tucker was, we believe, wrongly decided. The concept of related matters, though not nearly so boundless and far-ranging as Mr. Smaltz would suggest, is considerably more flexible and responsive to the needs of a criminal investigation than the Tucker court was willing to recognize.

automatic referral if a certain percentage of factors are satisfied. Rather, it is a partial catalogue of issues that the Attorney General could choose to take into account in assessing a matter under consideration for referral. Thus, Mr. Smaltz's reliance on these factors is misplaced; they were not offered in the Tucker matter as a framework for decisionmaking.

Even were it appropriate to rely on these factors as guidelines for decisionmaking, Mr. Smaltz's request satisfies few if any of the factors described in the Tucker brief:

(1) Same subject or target: Mr. Smaltz's request involves two farmers, not former Secretary Espy.[12]

(2) Allegation involves "key witnesses": [redacted]

(3) Extensive overlap of potential witnesses: There is no apparent overlap of potential witnesses between the matter Mr. Smaltz is requesting be referred, which involves alleged fraud in an application for government benefits and turns on the facts of how a farm was managed, and the allegations that former Secretary Espy accepted illegal gratuities.

(4) Efficiencies and economies of prosecution: It is a rare case in which efficiency and economy argue in favor of an

---

[12] [redacted]

independent counsel handling a matter. By every measure, turning a matter over to an independent counsel inevitably results in substantial costs and burdens to our justice system.[13] Should this apparently straightforward fraud matter warrant prosecution, the Department is staffed with prosecutors capable of efficiently and economically handling this matter.

(5) Whether the independent counsel discovered the crime in the course of his investigation: While Mr. Smaltz did run across this matter in the course of his investigation, he concedes that it was a matter that had already been looked into by the Inspector General and the Department of Justice wholly independently. Application at 9 n.6. This negates the supposition that it is a matter so factually intertwined with Mr. Smaltz's investigation that handling by him is warranted.

(6) Same legal issues involved: The reference in the Tucker brief to "the same legal issues" involved an example wherein the independent counsel's potential prosecution turned on a complex statutory analysis and its application to a particular set of facts; the related matter presented many of the same issues, and it was therefore particularly appropriate that a consistent analysis and legal position be developed. No such unusual circumstances exist here.

---

[13] A simple comparison of the monthly expenditures of any independent counsel's office with a similar sized prosecutorial office within the Department of Justice provides a graphic illustration of that reality.

(7) Whether the new allegation arose out of the same set of underlying facts as did the core jurisdiction: The underlying facts of Mr. Smaltz's jurisdiction relate to whether former Secretary Espy accepted illegal gifts from Tyson Foods and other companies regulated by the Department of Agriculture. [redacted]

(8) Parallel conduct: The final factor is whether the requested referral concerns conduct that parallels that of individuals already under investigation. [redacted] To the best of our knowledge, none of the matters under investigation by Mr. Smaltz pursuant to the appointment made following this Department's preliminary investigation involves such fraud, and Mr. Smaltz has identified none.

Having rebutted Mr. Smaltz's argument that his request fits within the factors set out in Tucker, it should be reiterated that these factors are not a "test" which if met results in referral. To the contrary, the question to be considered by the Attorney General is whether the particular matter, in light of all the circumstances of the case, warrants referral as a related matter because it will advance the resolution of the independent counsel's core jurisdiction, or because it is inextricably intertwined with the facts of the underlying case. This is the

test, and it simply is not met by the facts of Mr. Smaltz's request.

E. This Matter Does Not "Arise Out Of" Mr. Smaltz's Investigation: In his argument that this request to prosecute two farmers for fraud is "related" to his responsibility to determine whether to prosecute former Secretary Espy for accepting gifts, Mr. Smaltz repeatedly makes reference to his jurisdiction to investigate matters that "arise out of" his investigation. Application at 4, 12-14. It is clear that the Act intends and the jurisdiction granted by this Court makes explicit that Mr. Smaltz has such jurisdiction. Mr. Smaltz seems to suggest, however, that this language means that he has jurisdiction over any potential federal crime which he happens to discover in the course of his investigation. This is a serious misreading of the Act.

The straightforward language of both the Act and Mr. Smaltz's jurisdictional grant from this Court makes it clear that this grant of authority permits him to investigate crimes stemming from efforts to stall, interfere with or obstruct the investigation itself, such as perjury, destruction of documents, or witness intimidation.[14] It has nothing to do with previous

---

[14] The Act provides, at 28 U.S.C. § 593(b)(3):

> [The Independent Counsel's] jurisdiction shall also include the authority to investigate and prosecute Federal crimes ... that may arise out of the investigation or prosecution of the matter with respect to which the Attorney General's request was made, including perjury, obstruction of justice, destruction of evidence, and intimidation of witnesses.

crimes discovered in the course of the investigation; to fall within the scope of this grant of jurisdiction, it is the crime that must "arise out of" the investigation, not the evidence of the crime.

II. THE CONCURRENCE OF THE ATTORNEY GENERAL IS REQUIRED FOR REFERRAL OF A RELATED MATTER

Even apart from the question of whether Mr. Smaltz's request involves related matters, referral by this Court must be denied when, as here, the Attorney General does not concur in the referral. In order for section 594(e) to avoid constitutional infirmities, it must be interpreted to require the concurrence of the Attorney General at some point in the referral process.

As set out above, section 594(e) provides:

> (e) **Referral of other matters to an independent counsel.--** An independent counsel may ask the Attorney General or the division of the court to refer to the independent counsel matters related to the independent counsel's prosecutorial jurisdiction, and the Attorney

---

If this language were not sufficiently clear, the legislative history makes explicit that this additional authority deals with crimes that arise out of the independent counsel's investigation. The 1987 House Report states that the language is intended to ensure that the Independent Counsel has authority over "any allegations relating to obstruction of the investigation itself." H.R. Rep. No. 316, 100th Cong., 1st Sess. 37 (1987). The 1987 Senate Report points out that the language

> clarifies the scope of an independent counsel's prosecutorial jurisdiction by providing that it automatically includes the authority to investigate and prosecute federal crimes which may arise out of the investigation or prosecution itself. Such crimes include but are not limited to perjury, obstruction of justice, destruction of evidence and intimidation of witnesses.

S. Rep. No. 123, 100th Cong., 1st Sess. 20 (1987).

> General or the division of the court, as the case may be, may refer such matters.

The previous version of section 594(e) (as originally enacted in 1978, amended in 1982 only to change original title "special prosecutor" to "independent counsel"), provided in pertinent part:

> (e) A[n] independent counsel may ask the Attorney General or the division of the court to refer matters related to the independent counsel's prosecutorial jurisdiction.

As is clear from the statutory language, Congress did intend that an independent counsel could request referral of matters related to his original jurisdiction from the Special Division. While this provision permits an independent counsel to obtain the greater formality of a court order, as opposed to a simple letter of referral from the Department of Justice, section 594(e), properly interpreted, requires that such an order be issued only after consultation with and concurrence of the Department of Justice.

Interpreting the original version of section 594(e), in In re Olson, 818 F.2d 34 (D.C. Cir. 1987), this Court considered the proper interpretation of section 594(e).[15] After exploring

---

[15] In Olson, Congress had sent to the Department of Justice a lengthy study of the Department's handling of a dispute among Congress, the Department and the Environmental Protection Agency (EPA) concerning Congress's right to access to documents concerning enforcement of the Superfund Law. Among other criticisms, the study alleged that numerous individuals in the Department and EPA had violated federal criminal law by making false or misleading statements to Congress or by obstructing the congressional investigation.

the central importance of the active role of the Attorney General in the entire statutory scheme, to provide both practical and constitutional support to the functioning of the Act, the Court held that it lacked power to refer prosecutorial jurisdiction over a matter to an independent counsel in a situation where the Attorney General had already determined that the matter should not be referred to the independent counsel.[16]

Following a preliminary investigation, the Attorney General requested the appointment of an independent counsel to investigate allegations against former Assistant Attorney General Theodore Olson, but declined to seek appointment with respect to other covered persons named in the report. After a period of investigation, the independent counsel requested that the Attorney General refer the allegations against the other covered persons as related matters; the Attorney General declined, stating that his previous conclusion that the allegations did not warrant further investigation was final. The independent counsel then turned to this Court, requesting that it refer the matters pursuant to section 594(e). This Court held that it was without power to refer a matter to an independent counsel when the Attorney General had previously declined to do so.

[16] The Department does not take the position that the informal consultation that occurred between the Independent Counsel's Office and the Department in this case by itself brings this matter within the scope of the holding in Olson that a previous rejection by the Attorney General bars the Court from referring a matter. To conclude that the Olson bar is triggered by informal consultation such as occurred here would be destructive to the necessary working relationship between the Department and independent counsels; such a result would both discourage such informal consultation and encourage future ex parte filings with the Court. The Act should not be interpreted in any way that would discourage cooperation and communication between the Department and independent counsels or encourage independent counsels to bypass the Department. Rather, as is discussed in more detail later, the underlying logic of Olson leads to a holding that should an independent counsel seek referral of a related matter from the Court, the affirmative concurrence of the Attorney General is a necessary part of the process. This interpretation of the Act will encourage a responsible dialogue between independent counsels and the Department to resolve jurisdictional issues and promote cooperation.

Although the Olson Court relied on statutory construction to reach its conclusion, that analysis went hand in hand with the Court's immediately preceding constitutional discussion emphasizing the "broad power and authority of the Attorney General [which is] closely interwoven into the statutory scheme." Id. at 45. Thus, the Court's holding that section 594(e) does not permit such a referral should be read as reflecting the Court's recognition of the serious constitutional problems that would be created by a scheme that would permit judicial allocation of prosecutorial jurisdiction over the objection of the Executive Branch; as the Court held, the Act's procedures "do not by any means constitute an assumption of the constitutional field of action of the Executive Branch in enforcing the criminal law." Id. at 44.

While the narrow ruling of Olson was that a referral of a related matter could not be made by the Court over the previous refusal by the Attorney General to refer the matter, the logic of Olson leads clearly to the conclusion that the affirmative concurrence of the Attorney General is required before a related matter referral can or should be granted by this Court. The decision cannot and should not be read to suggest that an independent counsel could be permitted to sidestep the restrictions imposed in Olson by going directly to this Court for authority over additional criminal matters without consultation with and the approval of the Department of Justice at some point in the process. Eliminating the vital role of the Department

would create grave constitutional tensions and the potential for institutional conflict between two investigative and prosecutorial entities which can and should be avoided in every case.

The ruling by this Court in Olson, properly read as requiring the concurrence of the Attorney General, would seem to settle this matter; as set out above, the Attorney General has informed this Court of her conclusion that these matters should not be referred. Mr. Smaltz apparently agrees that Olson stands for the proposition that referral of a related matter by the Court "would be proper only at the specific request of the Attorney General." Application at 15. Mr. Smaltz argues, however, that a change was made by Congress in 1987 in the wording of section 594(e), which essentially overruled the holding of this Court in Olson.

A simple comparison of the wording of the two provisions, as set out above, demonstrates the fallacy of this argument; while a final clause is added for clarity, the facial meaning of section 594(e) as amended in 1987 differs not at all from the earlier version. Surely if Congress intended to override the ruling in Olson, and felt that it could do so within constitutional limits, it would have done so clearly.

In any event, the legislative history illuminates the error Mr. Smaltz is making. In 1987, Congress was concerned about the decision of the Department and the Court's ruling in Olson -- some in Congress felt the Attorney General had erred in his

decision on referral -- and considered the problem of jurisdictional disputes between the Department and an independent counsel. Legislative proposals were offered -- but not passed -- which would have removed or limited the authority of the Attorney General over an independent counsel's requests for referral of additional matters or expansions of jurisdiction.

In the end, however, Congress recognized that the authority of the Attorney General over the management of criminal investigations, and her assessment and concurrence that matters should be handled by an independent counsel, are necessary to support the delicate constitutional balance achieved in this Act. S. Rep. 123, 100th Cong., 1st Sess. 24 (1987). Therefore, while Congress differentiated between the concepts of expansion of jurisdiction (section 593(c)) and referral of related matters (section 594(e)); established new, stricter procedures for expansions of jurisdiction; and rewrote the section on referrals slightly, it in no way changed the standards governing section 594(e) "related matter" referrals. The new section 594(e) as passed by Congress was the version contained in the House Bill, and, as the Conference Committee observed:

> The House Bill also changes the wording of the referral provision set forth in Section 594(e) to clarify but not change its scope.
>
> ....
>
> ... The conference agreement ... follows the House language on the procedures to be followed by an independent counsel in seeking referral of a related matter[.]

H.R. Conf. Rep. 452, 100th Cong., 1st Sess. 28-29 (1987)(emphasis added). Thus, this Court's opinion in Olson continues as settled precedent with respect to section 594(e).

Any contrary view would raise grave constitutional issues. The President has primary constitutional responsibility for ensuring that the laws are faithfully executed and that allegations of criminal conduct are properly investigated and, if appropriate, prosecuted on behalf of the United States; this authority in turn has been vested in the Attorney General. Absent a requirement of consultation and concurrence, this constitutional role, part of the executive power reserved to the President by the Constitution, would be shifted impermissibly to the judiciary.

Thus, this Court should not read the referral provisions to permit the judiciary to remove authority for the investigation and prosecution of a federal criminal matter from the Department of Justice and assign it to an independent counsel without the concurrence of the Attorney General.[17] Even when such matters

---

[17] The Department understands that in one previous instance, this Court referred a matter involving a covered person to an independent counsel without consultation with the Department. Insofar as the record reflects, this Court did not consider the issues raised here when that referral was made, and because it was not consulted, the views of the Department were not available to the Court.

It is noteworthy that even in the hypothetical event of allegations of serious criminal misconduct by the Attorney General herself -- in theory the strongest case for not involving the Department -- the Act acknowledges the Department's critical role, proceeding under normal recusal procedures, in assessing the allegation and determining whether it should be investigated by an independent counsel. 28 U.S.C. § 591(e)(1). In any event,

involve covered persons, as to whom there is a statutory presumption of a conflict of interest, that decision is left to the unreviewable discretion of the Attorney General. 28 U.S.C. §§ 592(f) and 593(d). An interpretation that the opposite result can be obtained through the referral provision is wholly unnecessary, would result in serious practical problems, see discussion infra at 36-38, and would gravely unbalance the efforts by the drafters of the Independent Counsel Act to accommodate the Separation of Powers concerns created by the participation of this Court in the independent counsel process.[18]

---

in this case there are not even any such extraordinary prudential concerns that could be used to support a failure to obtain the concurrence of the Department.

[18] The tripartite structure of separate executive, legislative and judicial power is at "the heart of the Constitution." Buckley v. Valeo, 424 U.S. 1, 119 (1976). See, e.g., The Federalist No. 47 at 301 (Madison), No. 48 at 308 (Madison), No. 72 at 435 (Hamilton). The Framers made it clear that the three Branches were to "be largely separate from one another." Buckley, 424 U.S. at 120. Their objective was not only to diffuse power, but also to focus responsibility and accountability for the exercise of the powers of government.

The management of a criminal investigation is indisputably an "executive" -- as opposed to a "legislative" or "judicial" -- function. See, e.g., Heckler v. Chaney, 470 U.S. 821, 832 (1985). See also 1977 Senate Report at 5 ("The responsibility for law enforcement is placed upon the executive branch of the Federal Government"). The decision whether to bring a prosecution in a particular case has long been recognized to lie within the discretion of the Executive Branch and not to be subject to judicial control. See United States v. Nixon, 418 U.S. 683, 693 (1974); United States v. Thompson, 251 U.S. 407, 415 (1920); United States v. Cox, 342 F.2d 167 (5th Cir.) (en banc), cert. denied, 381 U.S. 935 (1965); see also Ullman v. United States, 350 U.S. 422 (1956) (immunity decisions); Ex parte United States, 287 U.S. 241 (1932).

Indeed, the logic of the decision of the Supreme Court in Morrison v. Olson, 487 U.S. 654 (1988), compels the conclusion that consultation with and the concurrence of the Attorney General are required when referring related matters. In Morrison, the Court rejected the argument that the Act was unconstitutional, but recognized the fragility of the constitutional balance struck by the drafters of the Act and the threat that would be posed by an overbroad interpretation. Key to the Court's decision was its conclusion that the role of the Special Division as specified in the Act was "not a significant encroachment" upon executive power. Morrison, 487 U.S. at 680-685. After holding that the Special Division could constitutionally appoint independent counsels based on the Appointments Clause of the Constitution, U.S. Const., Art. II, § 2, cl.2, the Court went on to consider the argument that the additional later duties entrusted to this Court in the Act, including referrals pursuant to section 594(e), violated the constitutional Separation of Powers.

The Supreme Court rejected that argument. It found that this Court's additional duties are merely passive, such as receiving reports, or, to the extent they require the exercise of "some judgment and discretion ... are themselves essentially ministerial," id. at 681, and thus not a significant encroachment on Executive Branch responsibilities. Therefore, the Supreme Court held, there was no violation of Separation of Powers in the Act, so long as the Act is properly and narrowly interpreted.

The Court's discussion of one of these additional duties is particularly illuminating here. The Court regarded the Special Division's power to terminate the office of an independent counsel, 28 U.S.C. § 596(b)(2), as the most "doubtful" of the additional powers granted to this Court, and the one that came the closest to crossing the Separation of Powers line. However, the Court concluded that, narrowly interpreted, that authority too was within constitutional bounds:

> We think that the Court of Appeals overstated the matter when it described the power to terminate as a "broadsword and ... rapier" that enables the court to "control the pace and depth of the independent counsel's activities." The provision has not been tested in practice and we do not mean to say that an adventurous special court could not reasonably construe the provision as did the Court of Appeals; but it is the duty of federal courts to construe a statute in order to save it from constitutional infirmities, ... and to that end we think a narrow construction is appropriate here. ... As we see it, "termination" [by the court] may occur only when the duties of the counsel are truly "completed" or "so substantially completed" that there remains no need for any continuing action by the independent counsel. ... So construed, the Special Division's power to terminate does not pose a sufficient threat of judicial intrusion into matters that are more properly within the Executive's authority to require that the Act be invalidated as inconsistent with Article III.

Morrison, 487 U.S. at 692-693 (emphasis added; citations omitted). The Court therefore concluded that while a broad, expansive reading of the Act might suggest that both the Attorney General and the Court have power to remove the independent counsel, in fact that power is vested solely with the Attorney General. Similarly, while section 594(e) conceivably could be read to permit this Court alone to refer matters, it is the "duty of federal courts to contrue a statute in order to save it from

constitutional infirmities," Id., and thus it must be read to require the concurrence of the Attorney General.

Morrison also makes clear that referral of matters by this Court without the concurrence of the Attorney General would be improper for another reason. In addition to the role of the Special Division, the Court examined the office of the independent counsel itself under the Act, to determine whether the Act was rendered unconstitutional "by prevent[ing] the Executive Branch from accomplishing its constitutionally assigned functions." Id. at 695 (quoting Nixon v. Administrator of General Services, 433 U.S. 425, 443 (1977)). The Court concluded that while the Independent Counsel Act undeniably reduces the amount of control or supervision the Attorney General exercises, the Attorney General nevertheless retained several means of supervising or controlling the prosecutorial powers that may be wielded by an independent counsel, sufficient to pass constitutional muster.

Chief among these was the removal power, but of nearly equal weight was the Attorney General's power to decline to refer matters to an independent counsel, and to establish the facts which will form the boundaries of the independent counsel's jurisdiction:

> No independent counsel may be appointed without a specific request by the Attorney General, and the Attorney General's decision not to request appointment if he finds "no reasonable grounds to believe that further investigation is warranted" is committed to his unreviewable discretion. The Act thus gives the Executive a degree of control over the power to initiate an investigation by the independent counsel. In addition, the jurisdiction of the independent

> counsel is defined with reference to the facts submitted by the Attorney General[.]

Id. at 696. In contrast to this control exercised by the Attorney General, Morrison also makes clear that beyond the power to appoint and define the independent counsel's original jurisdiction based on the facts provided by the Attorney General, this Court "has no power to supervise or control the activities of the counsel." Id. at 695.

Were an independent counsel to have the power to seek referral of additional matters without the concurrence of the Attorney General, these clear principles at the heart of the Morrison decision would be violated. The Attorney General would play no role in deciding whether a particular investigation should be conducted by the independent counsel or in developing the facts that should serve to sketch out the parameters of his or her jurisdiction, and this Court would be placed in the position of supervising the independent counsel in his recommendations as to whether particular matters should be handled by his office because they are related.

Thus, the constitutionality of the Act would be fatally undermined by an interpretation of section 594(e) that this Court has the power to refer matters to an independent counsel without consultation with and the concurrence of the Attorney General. Such extraordinary power and authority to unilaterally allocate responsibility for the investigation and prosecution of federal crimes, a core executive function, could hardly be described as "passive" or "ministerial." This Court should follow the

guidance of the Supreme Court in Morrison and interpret section 594(e) narrowly and prudentially, recognizing the authority and responsibility of the Attorney General in this area. See, In re Sealed Motion, 880 F.2d at 1376 n.13 (Special Division will observe Supreme Court's admonition to interpret Independent Counsel Act narrowly).

Practical considerations demonstrate the wisdom of these constitutional limitations on this Court's power. This is not simply an abstract issue of power and authority; there are also numerous practical ramifications to the decision to refer a related matter. It should be kept in mind that the subject of a potential referral to an independent counsel need not be a covered person, and need not be directly involved in any wrongdoing with a covered person.[19] Absent a consultation requirement, the Attorney General would have no ready means even to know that an independent counsel had authority over a particular matter.

---

[19] Tucker, supra, apparently would hold that this sort of direct link to the original jurisdiction is required before referral can be made; however, it has always been the view of the Department that with an adequate factual basis, matters involving other individuals and other alleged crimes can be considered related and properly referred by it to an independent counsel, as it did with respect to the matter under dispute in Tucker. The Department has filed an amicus brief in the independent counsel's appeal of the Tucker decision, in support of the position that the Attorney General's decision to refer a related matter is not reviewable. The weak link with respect to Mr. Smaltz's request is the lack of a sufficient factual showing to support a conclusion that the matter over which he has requested jurisdiction is related.

The negative consequences could be substantial. For example, a subject of an investigation proposed by an independent counsel, unknown to the independent counsel and to the Court, may be a critical witness in an important ongoing investigation, and the sudden unanticipated intervention by the independent counsel could seriously disrupt that investigation. Similarly, if the referral the independent counsel has requested from the Court is already under investigation by the Attorney General, an untimely referral could imperil years of careful investigative work. Likewise, if that subject, again unknown to the independent counsel and the Court, were serving as a confidential informant, participating in a sensitive undercover investigation, an untimely intrusion by the independent counsel could destroy the investigation.

On another front, the Department devotes considerable resources to careful review and selection of appropriate cases in which to seek to advance theories of the law it believes to be in the public interest. A single case brought by an unsupervised independent counsel without consideration for its impact on future prosecutions can prove the saying, "bad facts make bad law," which will bind federal prosecutors in the future.

There could be serious repercussions to the independent counsel's investigation as well if he or she could begin investigation of a new matter without consultation with the Department. For example, if the Department were investigating the same matter, plea bargains could be negotiated, witnesses

interviewed or immunities granted without the Department's knowledge that the independent counsel was also interested in the matter. While these negative consequences are to some extent a risk inherent in the independent counsel system, they are minimized by strictly observing the limits of an independent counsel's jurisdiction, by encouraging ongoing consultation with the Department concerning Departmental policies, see, 28 U.S.C. § 594(f)(requiring ongoing consultation between an independent counsel and the Department), and by requiring consultation with and the concurrence of the Attorney General before additional matters can be referred to an independent counsel.

If this Court were to make such referrals without consultation and approval, the Court would be usurping the role and responsibility of the Attorney General, so carefully acknowledged in the structure of the Independent Counsel Act and in the words of both this Court and the Supreme Court, to assess the merits of every allegation and determine whether further investigation of that allegation is warranted. Allegations against covered persons, as to whom there is a statutory assumption that the Department has a conflict of interest, require a preliminary investigation by the Attorney General to assess their merits, followed by an unreviewable decision by the Attorney General as to whether or not to refer the matter to an independent counsel. Given this carefully balanced structure, it would be odd indeed if allegations against ordinary citizens

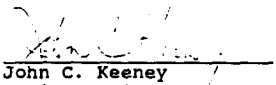
could be assigned to an independent counsel without the consent or even the knowledge of the Attorney General.

This Court can, and should, avoid all the practical and constitutional issues lurking in section 594(e) simply by interpreting that provision to require the Department be consulted and its concurrence obtained before referral of related matters will be approved by the Court.

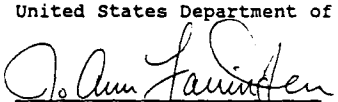
CONCLUSION

For the reasons stated above, Independent Counsel Smaltz's Application should be denied by this Court.

Respectfully submitted,



John C. Keeney
Acting Assistant Attorney General
Criminal Division
United States Department of Justice



Jo Ann Farrington
Deputy Chief
Public Integrity Section
Criminal Division
United States Department of Justice

CERTIFICATE OF SERVICE

I hereby certify that on February 20, 1996, I caused a true copy of the foregoing Opposition of the United States to Application for Referral of Related Matters to be mailed by first class mail, postage prepaid, to Independent Counsel Donald C. Smaltz, at the address below:

The Honorable Donald C. Smaltz
Office of Independent Counsel
103 Oronoco Street, Suite 200
P.O. Box 26356
Alexandria, VA 22314

Susan J. Park
Trial Attorney
Public Integrity Section
Criminal Division
U.S. Department of Justice

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

United States Court of Appeals
For the District of Columbia Circuit

Division for the Purpose of Appointing Independent Counsels

FILED FEB 2 6 1996

Ethics in Government Act of 1978, As Amended

CLERK

IN RE:	**Alphonso Michael (Mike) Espy**	**Division No. 94-2**

OFFICE OF INDEPENDENT COUNSEL'S REPLY IN FURTHER SUPPORT OF ITS APPLICATION FOR REFERRAL OF RELATED MATTERS

February 26, 1996

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
103 Oronoco Street, Suite 200
P.O. Box 26356
Alexandria, VA 22313
(703) 706-0010
FAX: (703) 706-0050

TABLE OF CONTENTS

		PAGE
TABLE OF CONTENTS		i
TABLE OF AUTHORITIES		ii
I.	INTRODUCTION	1
II.	THE REQUESTED REFERRAL IS RELATED TO THE INDEPENDENT COUNSEL'S PROSECUTORIAL JURISDICTION	3
	A. The Opposition Misstates the Independent Counsel's Jurisdiction	3
	B. The Opposition Mischaracterizes the Matter to be Referred	6
	C. The Matter to be Referred Clearly Relates to the Independent Counsel's Prosecutorial Jurisdiction	9
III.	THE SPECIAL DIVISION IS EMPOWERED TO MAKE THE REQUESTED REFERRAL, REGARDLESS OF WHETHER THE DEPARTMENT OF JUSTICE CONCURS	16
	A. The Department's Abstract Objections Do Not Apply to the Present Application	17
	B. The Statute Must Be Interpreted According to its Plain Meaning	19
	C. The Statute As Written is Constitutional	25
	D. The Statute Cannot be Rewritten to Give the Justice Department Control Over An Independent Counsel Investigation	28
IV.	CONCLUSION	30

TABLE OF AUTHORITIES

PAGE

Cases

Badaracco v. Commissioner of Internal Revenue
464 U.S. 386 (1984) 20

In Re Charge of Judicial Misconduct or Disability
39 F.3d 374 (D.C. Cir. 1994) 28

In Re Olson
818 F.2d 34 (D.C. Cir. 1987) 20, 21, 25

Morrison v. Olson
487 U.S. 654 (1988) ..... 25 *passim*

Park 'N Fly, Inc. v. Dollar Park and Fly
469 U.S. 189 (1984) 21

United States v. Salerno
481 U.S. 739 (1987) 19

United States v. Turkette
452 U.S. 576 (1981) 21

Federal Statutes

28 U.S.C. § 592 25

28 U.S.C. § 593 ..... 2 *passim*

28 U.S.C. § 594 ..... 2 *passim*

Legislative Materials

140 Cong. Rec. H419-07 at 433-435 (February 10. 1994)
(statement of Rep. Hyde) 10

H.R. Rep. No. 316, 100th Cong.,
1st Sess., at 47-48 (1987) 22

H.R. Conf. Rep. No. 452, 100th Cong.. 1st Sess. (1987) reprinted in
1987 U.S.C.C.A.N. 2185 24

The Independent Counsel Reauthorization Act. 1993: Hearings on S.24, Before the Senate Committee on Governmental Affairs,
103rd Cong., 1st Sess. (1993) 11-32 (statement of Attorney
General Janet Reno) 22

Brief

Amicus Curiae Brief of the Department of Justice
at 13-14. *United States v. Tucker*, (8th
Cir. 1995) (No. 95-3268) 10
passim

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

**Division for the Purpose of
Appointing Independent Counsels**

Ethics in Government Act of 1978, As Amended

	)	
	)	**Division No. 94-2**
IN RE: **Alphonso Michael**	)	
(Mike) Espy	)	**(UNDER SEAL)**
	)	
	)	

OFFICE OF INDEPENDENT COUNSEL'S REPLY IN FURTHER SUPPORT OF ITS APPLICATION FOR REFERRAL OF RELATED MATTERS

I. Introduction

The Department of Justice vigorously opposes any referral to the Independent Counsel for which it is not the definitive jurisdictional gatekeeper. This desire to maintain what it sees as its singular prerogative to oversee the course of an Independent Counsel investigation has led it to seriously misstate both the factual predicate behind the Application and the law upon which the Special Division's decision must be based. However, prior to a detailed discussion of the errors in the Opposition, it might be helpful to consider some of the points on which the Department and the Independent Counsel are in agreement.

The Independent Counsel does not dispute that his jurisdiction is limited, and that it ultimately derives from the jurisdictional grant set forth in his appointment. Nor does he dispute that before pursuing a matter outside his defined jurisdiction he must obtain an expansion of jurisdiction under 28 U.S.C. § 593(c) or, depending upon the breadth of the jurisdictional grant, the referral of a related matter under § 594(e). He also does not dispute that such a referral can be made only if the matter to be referred relates to his "prosecutorial jurisdiction."

Although they start with this same understanding of the fundamental law, the Department and the Independent Counsel obviously do not agree on whether the Application for referral should be granted. The Department maintains that it must keep control over the Independent Counsel's investigation by setting itself up as the final arbiter of whether this or any referral should be made. To compel this conclusion, it radically misstates the facts behind the Application and the law that governs referral of related matters to an independent counsel.

In the end, the Department seeks to achieve the result that the independent counsel statute was specifically designed to prevent: *Justice Department control over the investigation of a high-level executive branch official.* The Special Division should resist the Department's insistence that control over the course of the investigation be turned over to it, and should consider the requested referral on the merits. The merits dictate that the referral be granted.

II. The Requested Referral Is Related to the Independent Counsel's Prosecutorial Jurisdiction

A. The Opposition Misstates the Independent Counsel's Jurisdiction

As a preliminary matter, we must note that the Opposition repeatedly misstates the scope of the Independent Counsel's existing jurisdiction. For example, at pages 1 and 3 of the Opposition, small portions of the jurisdictional grant are quoted as if they state the entirety of the jurisdiction, while the other broader clauses of the grant are ignored. (The grant is set out in full at Exhibit 1 to the Application.) The Opposition ignores some of the broadest clauses of the grant, despite the fact (or perhaps because of the fact) that these were primarily drafted by the Department of Justice (save for the last paragraph) in its request for appointment of the independent counsel and adopted verbatim by the Special Division in the Order of Appointment.

To hammer home this attempted limitation of the Independent Counsel's mandate, the Opposition includes at pages 23 to 24 a gratuitous and grudging elucidation of his jurisdiction. The purpose of the Department's exposition is to assert that certain clauses of the mandate are far more limited in scope than they appear. Thus, the Department argues that the clauses of the jurisdictional mandate that include the words "arises out of" can only grant him authority

to investigate crimes committed in the course of the investigation. This leads the Department to an irrelevant discussion of the legislative history behind 28 U.S.C. § 594(e) -- irrelevant because it is the words of the mandate that are at issue, not the words of the statute. The mandate on its face is quite clearly not so limited. It not only gives the Independent Counsel the power to investigate Espy's receipt of gratuities, as the Department acknowledges, but it also gives the Independent Counsel the power to:

(1) "investigate other allegations or evidence of violation of any federal criminal law . . . by any organization or individual developed during the Independent Counsel's investigation . . . and connected with or arising out of that investigation;"[1]

(2) "seek indictments and to prosecute any organizations or individuals involved in any of the matters described above, who are reasonably believed to have committed a violation of any federal criminal law arising out of such matters, including [anyone who has] engaged in an unlawful conspiracy or who has aided and abetted any federal offense;" and

---

[1]This provision is identical to a provision appearing in the order appointing Mr. Starr in the Madison Guaranty matter. Mr. Starr's initial jurisdictional grant was identical to that the Attorney General gave the Department's Special Prosecutor, Mr. Fiske. This provision may well have been the basis for a § 594(e) referral of the *Tucker, Hubbell, Branscum, Hill* and other matters by this Court. We request the Court judicially notice that this broad jurisdictional grant "to investigate other allegations or evidence of violations of any criminal law . . . . *by any organization or individual* developed during the Independent Counsel's investigation referred to above and connected with or arising out of that investigation" does not appear in the jurisdictional grants in the *Olson, Deaver, Cisneros,* and *Brown* matters.

(3) "fully investigate and prosecute the subject matter with respect to which the Attorney General requested the appointment of independent counsel, as hereinbefore set forth, and all matters and individuals whose acts may be related to that subject matter, inclusive of authority to investigate and prosecute federal crimes . . . that may arise out of the above described matter, including perjury, obstruction of justice, destruction of evidence, and intimidation of witnesses."

The Department acknowledges none of these provisions.

Clearly these provisions are not simply limited to the prosecution of crimes committed in the course of the investigation, as the Department argues at page 24 of its Opposition. In fact, the mandate has an entire separate paragraph devoted exclusively to such crimes:

> The Independent Counsel shall have jurisdiction and authority to investigate any violation of 28 U.S.C. § 1826, or any obstruction of the due administration of justice, or any material false testimony or statement in violation of federal criminal law, in connection with any investigation of the matters described above.

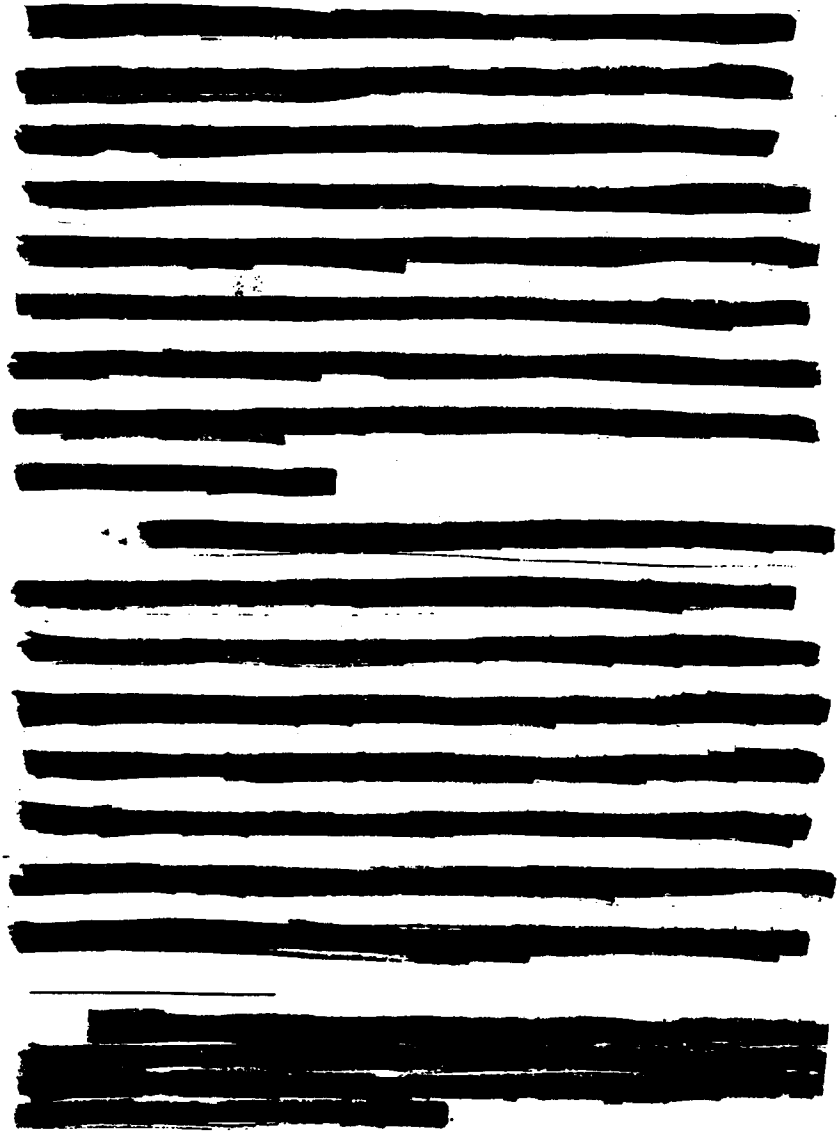
Under the Department's narrow view of the law, this paragraph is obviously nothing but entirely redundant surplusage.

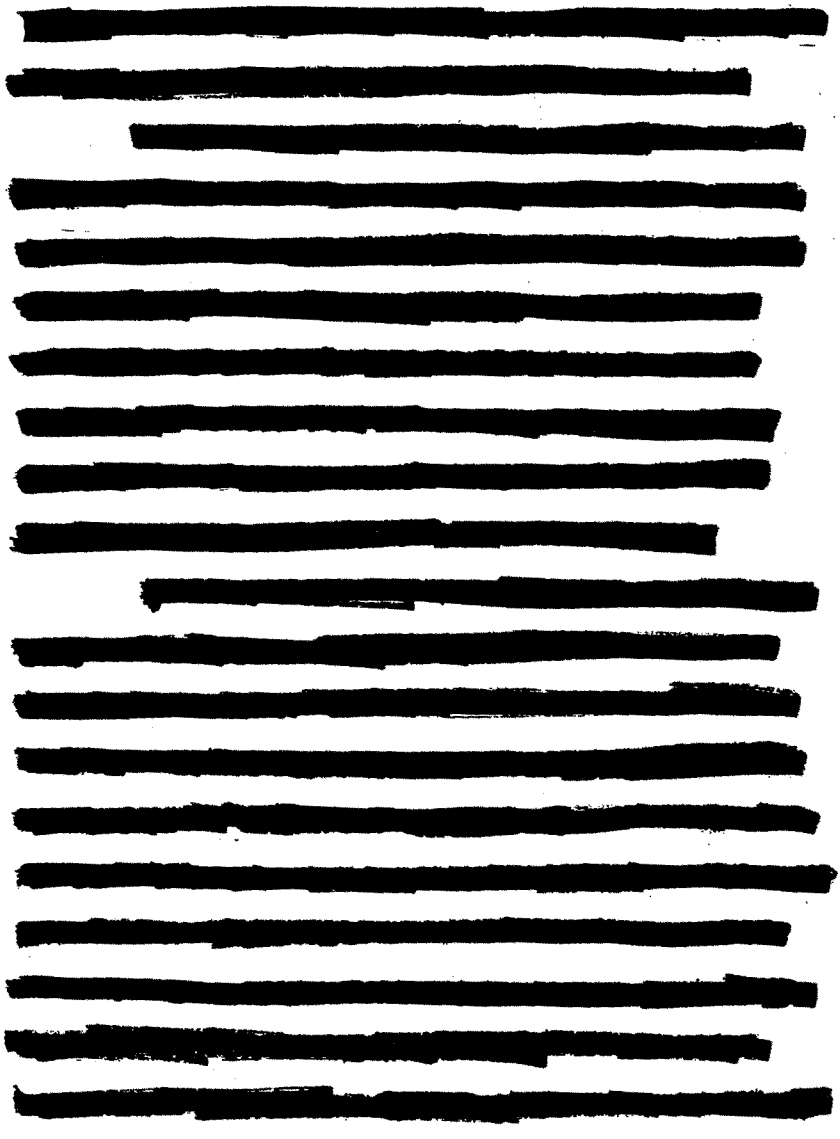
In appointing the Independent Counsel, the Special Division clearly gave him full authority to pursue his investigation to the maximum extent contemplated by the statute. The Department's misreading of the mandate cannot change this fundamental fact.

B. The Opposition Mischaracterizes the Matter to Be Referred

Perhaps the most telling aspect of the Justice Department's Opposition to the pending Application is its stubborn insistence on repeatedly, and seriously, misstating its substance. According to the Department, the Independent Counsel wants simply to prosecute two "farmers in Mississippi" for fraud. Opposition at pp.12-13. [redacted]

[2]The Independent Counsel gave the Department of Justice the Application and accompanying declarations, in draft form, in advance of its filing with the Special Division. It is simply inaccurate for the Department to suggest, as it does at footnotes 5 and 10 of the Opposition, that the Department is not conversant with the facts underlying this Application.





[redacted]

C. The Matter to Be Referred Clearly Relates to the Independent Counsel's Prosecutorial Jurisdiction

The Department's fundamental argument is that the requested referral simply is not related to the Independent Counsel's prosecutorial jurisdiction within the meaning of § 594(e). The Department is purposely vague about what it would take to find a matter related, since it views this as a question within its own

sole discretion and does not want to share its decision-making process with anyone else, including the Special Division.

Some of its suggestions clearly do not comport with the statute. For example, the Department would require that the matter referred "directly relates" to the matter within the independent counsel's jurisdiction, or is necessary to advance the resolution of that matter. Opposition at pp.14-15. While for its own purposes the Department would transmute "related to the independent counsel's prosecutorial jurisdiction" into "directly related to the subject matter," it is worth noting that in 1993 Congress considered and rejected a proposed amendment to the Act (the so-called Hyde Amendment) that would have limited the power of the Special Division, in defining jurisdiction, to including only matters "directly related" to the crimes with which the subject is charged. *See* 140 Cong. Rec. H419-07 at pp.433-435 (February 10, 1994) (statement of Rep. Hyde).

The Department is particularly careful to distance itself from the list of eight factors it articulated in the *Tucker* brief[4] for evaluating a referral, now claiming that these are merely a "sampling" and a "partial catalogue" from a "myriad" of factors that it declines to identify. Opposition at pp.19-20. Still, one

---

[4]Amicus Curiae Brief of the United States Department of Justice, *United States v. Tucker* (8th Cir. 1995) (No. 95-3268).

suspects that the Department would not have listed these factors in *Tucker* unless it considered them fairly important.

Nevertheless, the Department at no time suggests what factors, whether from the *Tucker* list or not, the Special Division should be considering in weighing this Application. Instead, it goes to great lengths to try to show that the present Application satisfies none of the eight factors that, in its view, might or might not have any relevance to the determination. The Department's arguments on these points are so far removed from the facts behind the Application that they merit only brief discussion here.

[1] **Whether the same subject or target is involved.**

[redacted]

[2] **The nature of the new allegations against a person who may be a key witness in an Independent Counsel's investigation.**

[redacted]

[3] **Whether there is an overlap in potential witnesses, and a resulting potential for interference with an Independent Counsel's investigation.**

[redacted]

[4] **Which prosecutorial body can most efficiently investigate and prosecute the matter.**

According to the Department, it is always the more efficient and economic body, which leads to the question of why this is a factor to be considered at all. In truth, this boast appears to be little more than bureaucratic turf protection. [redacted]

[5] **Whether the Independent Counsel discovered the crime during the course of his investigation of the principal matter referred to him.**

The Department concedes that the Independent Counsel did discover the crime during his investigation, but responds with the non-sequitur that the

Inspector General and the Department had already looked at the same matters (without, apparently, finding the indictable offenses that the Independent Counsel found). The fact that others had stumbled on some of the same facts, without discovering their significance, does not suggest in the least that these matters are unrelated to the Independent Counsel's prosecutorial jurisdiction.

[6] **Whether the same legal issues are likely to be involved.**

The Department wants to rewrite this factor so that it now refers only to "unusual" legal issues. It gives no guidance on how to make this distinction. The Application identifies a multitude of overlapping issues which, from all appearances, are at least as "unusual" as those presented in the *Tucker* prosecution.

[7] **Whether the additional matters arise out of the same underlying facts as the original jurisdiction.**

The Department is correct in noting that the offense that is the subject of the requested referral arises out of different operative facts than the original appointment, a circumstance candidly admitted in the Application. The Department is not correct, however, in ignoring the substantial overlap in the background facts of the Espy administration, which set the stage for both favoritism to big agribusinesses and favoritism to the smaller farmers in Espy's immediate circle.

[8] **Whether there has been similar conduct by some of the parties already being investigated.**

The Department's analysis focuses on the obvious differences between fraud and bribery, but it carefully ignores the obvious parallel when both result in favoritism in the bestowal of government benefits upon those close to the top of the Department of Agriculture hierarchy.

In view of the above, it is not at all surprising that the Justice Department now wants to distance itself from the eight factors it articulated in *Tucker*. There, it specifically identified these as among "the factors that the Attorney General ordinarily considers in determining whether a matter is 'related to' the independent counsel's original grant of authority." Department of Justice Amicus Brief (No. 95-3268) at 13-14. In the Opposition, it disingenuously disclaims any reliance on the factors. Opposition at p. 18.

Certainly, the Department suggests no distinction between the *Tucker* referral and the referral requested here in terms of relatedness to the independent counsel's prosecutorial jurisdiction. (*See also*, the Special Division's Order dated September 1, 1994, referring to the Whitewater Independent Counsel the investigation of Webster Hubbell.)

The Department, in its opposition, now articulates a new and simpler test for deciding whether a referral should be made:

> [w]hether the particular matter, in light of all the circumstances of the case, warrants referral as a related matter because it will advance the resolution of the independent counsel's core jurisdiction, or because it is inextricably intertwined with the facts of the underlying case.

The Department does not even attempt to analyze the requested referral under this standard; it merely concludes summarily that the standard has not been met. Opposition at pp. 22-23. While the Department gives no support for its assertion that this is the standard to be applied, it should be clear from the factual showing in the Application that it has been met here.

Unquestionably, the referral will advance the resolution of the Independent Counsel's core jurisdiction. *See* Greenberg Decl. at ¶ 9 (

Moreover, the requested referral is inextricably intertwined with the facts of the underlying case. The overlapping facts of the two matters are detailed in the Widup Declaration., *see* particularly ¶¶ 22-31. *See also* Greenberg Decl. at ¶¶ 5-8.

Consequently, whether the Special Division chooses to focus on the eight factors the Department articulates in *Tucker*, or the two new factors into which it has now distilled the test, the inescapable conclusion is that the Application should be granted. Indeed, we would suggest that the one key test upon which the Special Division should focus is the one stated in the statute: whether the proposed referral is "related to the Independent Counsel's prosecutorial jurisdiction." 28 U.S.C. § 594(e). [redacted]

III. The Special Division Is Empowered to Make the Requested Referral, Regardless of Whether the Department of Justice Concurs

The premise behind the Department's constitutional argument is that dire consequences might result someday if the Special Division referred a related matter to an independent counsel without the Attorney General's knowledge. Thus, the Department argues that "absent a consultation requirement, the Attorney

General would have no ready means even to know that an independent counsel had authority over a particular matter," Opposition at p.36, and that "it would be odd indeed if allegations against ordinary citizens could be assigned to an independent counsel without the consent or even the knowledge of the Attorney General." Opposition at pp.38-39

A. The Department's Abstract Objections Do Not Apply to the Present Application

This notion that the Independent Counsel might pursue a referred matter of which the Attorney General is unaware leads the Department to unleash a parade of possible horribles, which it articulates at pages 37 and 38 of its Opposition. The independent counsel's investigation might, it is argued, interfere with an ongoing Justice Department investigation. Or it might conflict with a Department program to advance certain theories of law. Or there might be an overlap with an ongoing Department investigation.

What is conspicuously absent from the Department's entire argument is any discussion of how these possible horribles apply to the present matter. Here the Department is fully apprised of the referral the Independent Counsel seeks: it was served with a copy of the Application and given the opportunity to present its comments. Indeed, the Department was informed of the Independent Counsel's intention to seek a referral, and of the investigative facts behind the request. well

in advance of the filing of the Application. While there might be a question as to whether and when it would be appropriate for an independent counsel to seek a referral from the Special Division without notice to the Attorney General, there is no occasion to address that question now because that is not what has happened.

Even more to the point, the Department's strident concern that dire consequences might result from a referral of which it does not approve has no relevance here. It has no relevance because the Department is totally unable to identify a single difficulty that would be caused by the specific referral now requested of the Special Division. Nowhere in its nearly 40 pages of briefing does the Department suggest for one moment that *this referral* would interfere with an ongoing Justice Department investigation or that *this referral* would establish the wrong theory of law or that *this referral* might overlap an ongoing Department investigation. While the Department argues most vigorously that it must be given a veto over *any referral* because it alone might know of the dire consequences that would flow from the referral, it defeats that very argument by its own failure to articulate a single negative consequence that might flow from *this referral*.[5]

---

[5]If, on another occasion, an independent counsel were to request a referral, and if, on that occasion, the Attorney General were to present a substantial objection specific to that referral, the Special Division could accord that objection all due respect, and heed it if appropriate. Similarly, if an independent counsel were to seek a referral without informing the Attorney General, the Special Division could give (continued...)

Interestingly, according to footnote 17 of the Opposition, the Special Division has at least on one other occasion referred a matter to an independent counsel without the Department's knowledge or approval. The Department does not suggest that this referral occasioned any of the dire consequences catalogued in the Opposition.

B. The Statute Must Be Interpreted According to Its Plain Meaning

Because of its inability to identify any actual difficulty flowing from the requested referral, the Department is forced to argue that the statute is unconstitutional on its face. But, "[a] facial challenge to a legislative Act is, of course, the most difficult challenge to mount successfully, since the challenger must establish that no set of circumstances exists under which the Act would be valid." *United States v. Salerno*, 481 U.S. 739, 745 (1987). The Department does not begin to meet this burden here.

Nevertheless, to remedy a perceived constitutional infirmity on the face of the statute, the Department asks the Special Division to rewrite the statute by inserting a new provision requiring Attorney General approval of any referral.

---

[5](...continued)
consideration to whether the Attorney General should be consulted, and could seek consultation from the Attorney General unless there were a compelling reason not to do so. However, neither of these is the case at hand.

Since § 594(e) is clear that the Attorney General can make a referral without the Special Division's approval, one is left to wonder under the Department's rewritten version of the statute why Congress would have bothered even to include the option of going to the Special Division. However, beyond the fact that the Department's proposed rewrite of the statute makes no sense, "[c]ourts are not free to rewrite a statute because they might deem its effects susceptible of improvement." *Badaracco v. Commissioner of Internal Revenue*, 464 U.S. 386, 398 (1984).

While th artment insists that it is only asking for the statute to be "properly interpreted," Opposition at p.25, the fact remains that the requirement of Attorney General concurrence appears nowhere in the statute. The Department's request that its veto power over referrals be interpreted into the statute is nothing more than a demand for the Special Division to legislate into the statute a provision that Congress was at pains to exclude, as the legislative history of the amendments following *In re Olson*, 818 F.2d 34 (D.C. Cir. 1987) clearly demonstrates.

The Department argues that the 1987 amendments to the Act were not intended to overturn the holding in *In re Olson* that the Special Division cannot make referrals in the face of the Attorney General's refusal, and cites legislative history to make its point. Of course, the language of a statute is far more reliable

evidence of legislative intent than the legislative history, *United States v. Turkette*, 452 U.S. 578, 593 (1981), and here the plain meaning of the statute is apparent on its face. *See also Park 'N Fly, Inc. v. Dollar Park and Fly*, 469 U.S. 189, 194 (1984) ("Statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose.") Nevertheless, it is worth noting that the Department's reading of the legislative history is simply wrong; overturning the result in *Olson* was both the intent and the effect of the amendments, as demonstrated below.

As the Department notes, legislative proposals that would remove the authority of the Attorney General over an independent counsel's requests for referral or expansion were introduced in 1987, on the heels of the *Olson* decision. Opposition at p.29. Indeed, while the proposed amendments were pending, the Justice Department wrote to the House Judiciary Committee, objecting to the new language proposed in H.R. 2939, the House version of the amendments:

> Sections 593(c) and 594(e) appear to provide that the jurisdiction of an independent counsel may be expanded by the court in the absence of a request by the Attorney General. We have very strong constitutional objections to giving any court such power, and we believe it would be inconsistent with the court's recent decision in *In re Olson*, Div. No. 86-1 (D.C. Cir. Apr. 2, 1987). That decision made clear that the Attorney General's refusal to refer matters to the jurisdiction of the independent counsel is conclusive on both the court and the independent counsel. We believe that the constitutional principle

> underlying this decision also leads to the conclusion that the court has no power to refer matters to the independent counsel . . . in the absence of a request from the Attorney General that it do so.
>
> . . . To permit a court to refer related matters to an independent counsel without the approval of the Attorney General would trespass on a core executive branch function, and therefore is not constitutionally permissible.

Letter of John R. Bowlton, Assistant Attorney General, to Hon. Peter W. Rodino, Jr., accompanying H.R. Report No. 100-316, at pp.47-48.

The language of H.R. 2939 amending § 594(e), which Justice so vigorously protested as changing the law to take the Attorney General out of the referral process, is the language that Congress enacted. It is the language of the law today, which the Department now claims "in no way changed the standards governing section 594(e) 'related matter' referrals." Opposition at p.29.[6]

By the time the 1987 amendments went to conference, the Senate version required Attorney General approval of both a § 594(e) referral and a § 593(b)(3) expansion of jurisdiction, while the House version required Attorney General approval for neither. The resulting statute was a compromise, adopting the Senate version of the expansion power (Attorney General request required)

---

[6]Moreover, when the statute was re-enacted in 1994, the present Attorney General supported its re-enactment, including the language of § 594(e), apparently not endorsing her predecessor's disapproval of Special Division referrals without Attorney General acquiescence. *See* Senate Committee on Governmental Affairs: Hearings on S.24 at 11-32 (1993) (Statement of the Attorney General, May 14, 1993).

and the House version of the referral power (Attorney General participation not required). The Conference Report makes this point crystal clear:

* * *

SECTION (C): JURISDICTION OF INDEPENDENT COUNSELS

Current law

Current law permits the special court to expand the prosecutorial jurisdiction of an independent counsel upon the request of the Attorney General. In a separate provision, upon the request of either the Attorney General or the independent counsel, the special court is permitted to refer to an independent counsel matters which are related to his or her original jurisdiction. **Under current law, it is unclear whether, in the case of a referral requested by an independent counsel, the special court must solicit the Attorney General's views on the request. It is also unclear whether the special court may refer a matter to the independent counsel who asked for it, if such referral is opposed by the Attorney General.**

House bill

The House bill makes it explicit that the special court may expand the jurisdiction of an independent counsel upon the counsel's request, as well as in response to the request of the Attorney General. . . .

The House bill also changes the wording of the referral provision set forth in Section 594(e) to clarify but not change its scope.

Senate amendment

. . . . . .

> The Senate amendment substantially re-drafts the provision on referral of matters to independent counsels. . . .
>
> In such circumstances, the Senate amendment requires the independent counsel to submit the information to the Attorney General.
>
> *Conference agreement*
>
> The conference agreement includes provisions from both the Senate amendment and the House bill. It follows the House language on the procedures to be followed by an independent counsel in seeking referral of a related matter under that independent counsel's jurisdiction or by the Attorney General in referring such matters to an independent counsel. . . .
>
> Thus, when an independent counsel is confronted with new information about a criminal allegation involving a covered individual, depending upon the extent to which the matter may or may not fall within the independent counsel's original grant of jurisdiction, he or she must follow one of two procedures. For related matters, he or she must apply to the special court or ask the Attorney General for a referral of such matter pursuant to the jurisdiction originally set by the special court (or the Attorney General may refer such matter to the independent counsel on the Attorney General's own initiative). . . .

House Conference Report No. 100-452, 1987 U.S. CODE CONG. & ADMIN. NEWS at p.2185 (emphasis added).

As the highlighted language in the above quotation makes clear, the legislative history shows exactly what it is that Congress was "clarifying" when it modified § 594(e). It was clarifying the previously unclear principle (unclear at

least in light of *In re Olson)* that Attorney General approval is not required for a § 594(e) referral.

C. The Statute As Written Is Constitutional

There is no question then that Congress intended for the Special Division to make § 594(e) referrals without Attorney General approval, exactly as the statute states. The Department argues that this raises "grave constitutional issues." Opposition at p.30. This *ipse dixit* lacks legal and factual support. To the contrary, there are no constitutional problems, grave or otherwise, presented by the referral requested in the present application.

The decision in *Morrison v. Olson*, 487 U.S. 654 (1988), leaves no doubt that Congress acted within constitutional bounds in empowering the Special Division to define the independent counsel's jurisdiction in the first instance. 487 U.S. at 679. When it does so, it is supposed to define the independent counsel's jurisdiction so that it relates to the subject matter of the Attorney Gen[illegible]'s request. 28 U.S.C. § 593(b)(3). The Attorney General's role is to decide whether an independent counsel is needed, and to lay out the facts upon which the appointment is to be based. 28 U.S.C. §§ 592(c)(1) and (d). However, she is given no power to second-guess the Special Division's definition of jurisdiction. *Id.* at §§ 593(b)(1) and (b)(3). As the *Morrison* decision makes clear, the Constitution is not offended by the Special Division's exercise of power, even though the Attor-

ney General is afforded no opportunity to pass on it, and even though the Attorney General might vehemently disagree with the Special Division's definition of jurisdiction.

In other words, when the Attorney General applies for the appointment of an independent counsel, and the Special Division makes the appointment, the Attorney General has no power to review either the Special Division's selection of the Independent Counsel or its definition of his prosecutorial jurisdiction. 28 U.S.C. § 593(b). The statute relies on the integrity of the Special Division to ensure the appointment of a qualified person and that his jurisdiction is indeed related to the "subject matter" of the Attorney General's request "and all matters related to that subject matter." *Id.* at § 593 (b)(3). According to the Supreme Court, there is nothing wrong under the Constitution with this procedure. How then can it be unconstitutional for the Special Division later to determine that a matter is related to the independent counsel's prosecutorial jurisdiction, even though the Attorney General has no power of review and the statute instead relies on the integrity of the Special Division to ensure that the referral is indeed related to the prosecutorial jurisdiction? In neither instance does the Attorney General have any recourse if she disagrees with the Special Division's definition. Nevertheless, according to the Department, one exercise of power is constitutional and the other is not.

Indeed, as the Court noted in *Morrison*, the referral power is much more limited than the power to define the jurisdiction in the first instance because the referral is circumscribed by the independent counsel's prosecutorial jurisdiction. 487 U.S. at 680 n.18. In this sense, the referral power "require[s] the court to exercise some judgment and discretion, but . . . [is] essentially ministerial." *Id.* at 681. Consequently, the Constitution cannot be offended when the Special Division exercises that power without giving the Attorney General a veto.

The heart of the Department's constitutionality argument is devoted to the proposition that a referral without its approval would encroach upon executive powers. *See* Opposition at pp.34-36. This argument, however, is based on a misreading of *Morrison*. The Supreme Court's concern over usurpation of executive powers did not relate to the Special Division's power to allocate jurisdiction between the Department and the independent counsel; this power is inherent in the statute and expressly approved by the Court. Rather, the *Morrison* Court was concerned with whether the Special Division might encroach on the *independent counsel's* executive powers by controlling his investigation too rigidly. 487 U.S. at 682-683, 695.

Finally, as we noted above, the present Attorney General endorsed the re-enactment of the Act, including § 594(e), in 1994. Her support is difficult

to understand if the plain words of the statute provoke what the Department now describes as "grave constitutional issues."

Obviously, the requested referral would not encroach upon the executive's powers to investigate; it would merely allocate those powers between the Department and the Independent Counsel. This is a process set in motion by the Attorney General's original request for an appointment, and it is no more an encroachment at the time of referral than it is at the time of the initial request. All that changes is that, after a period of investigation, there is a clearer picture of what matters are related to the Independent Counsel's prosecutorial jurisdiction, and the Special Division is being asked to sharpen its jurisdictional definition to respond to this reality.

D. The Statute Cannot Be Rewritten to Give the Justice Department Control Over An Independent Counsel Investigation

What is most obviously missing from the Justice Department's Opposition is a recognition that, under the statutory scheme, it is *supposed* to be largely removed from the enforcement scheme once an independent counsel is appointed:

> [T]he 'entire purpose' of the . . . [Act is] to provide *independence from the executive branch* . . . . The legislative history of the Ethics Act shows a clear emphasis on establishing a prosecutorial office free of any conflict of interest that might arise where officials of the Executive Branch are called upon to investigate their colleagues or superiors. *See* Senate Report 170 at 5-7, *reprinted in* 1978 U.S.C.C.A.N. at

> 4221-23. In addition, Congress sought in the Ethics Act to protect the independent counsel from interference at the hands of Executive Branch officials . . . . (Emphasis added).

In re Charge of Judicial Misconduct or Disability, 39 F.3d 374, 382 (D.C. Cir. 1994).

Likewise, the Supreme Court in *Morrison* noted that the unusual power of an interbranch appointment is justified, in part, because "Congress . . . was concerned . . . with the conflicts of interest that could arise in situations where the Executive Branch is called upon to investigate its own high-ranking officers." 487 U.S. at 676. For the same reason, once the Independent Counsel's prosecutorial jurisdiction is defined under § 593(b)(1), the policy behind the statute demands that the Department of Justice not be allowed to circumscribe the effective exercise of that jurisdiction through a veto over the pursuit of matters related to that jurisdiction.

The Department makes a lengthy abstract argument to the effect that, in principle, the independent counsel might encroach on an existing Department investigation or prosecution; it just cannot identify any encroachment. However, the reciprocal problem is all too evident. The Justice Department demands a veto over a course of action that the Independent Counsel has identified as vital to the prosecution of his core subject matter. This would give the Justice Department

precisely the power -- the power of interference -- that the statute was designed to prevent.

The Constitution cannot be read to require that the Attorney General be given this power. The Attorney General's power to remove the independent counsel for cause is adequate to satisfy the constitutional requirement of separation of powers, as the Court explained at length in *Morrison*. 487 U.S. at 693-696. The Constitution cannot and should not be read to give the Attorney General more power than this to interfere with an ongoing investigation and prosecution.

IV. Conclusion

The Justice Department has attempted to cast a straightforward request for referral, one which follows a procedure squarely within the language of the applicable statute, as some type of constitutional crisis. It identifies no deleterious consequences that would result if the referral is granted, but insists that the Application should be denied on principle -- the principle being that the Attorney General should have complete control over whether a request for referral is granted. This is not the law, and should not be the law, because the entire premise of the Independent Counsel statute is that the Attorney General is not supposed to control the course of the investigation. The Special Division should reject the Attorney General's bid to assert a veto power over the Application, and

should consider it on the merits. The merits dictate that the request should be granted.

DATED: February 26, 1996

Respectfully submitted,

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ

/s/ Donald C. Smaltz

Donald C. Smaltz, Independent Counsel
(Bar No. 37312)

103 Oronoco Street, Suite 200
P.O. Box 26356
Alexandria, VA 22313
(703) 706-0010
FAX: (703) 706-0050

Charles M. Kagay
Associate Independent Counsel

Theodore S. Greenberg
Special Counsel

James L. Brochin
Associate Independent Counsel

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Division for the Purpose of
Appointing Independent Counsels

Ethics in Government Act of 1978, As Amended

		Division No. 94-2
IN RE:	**Alphonso Michael (Mike) Espy**	**(UNDER SEAL)**

CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of February, 1996, I caused a true and correct copy of the OFFICE OF INDEPENDENT COUNSEL'S REPLY IN FURTHER SUPPORT OF ITS APPLICATION FOR REFERRAL OF RELATED MATTERS to be served by hand on:

John C. Keeney
Deputy Assistant Attorney General
U.S. Department of Justice
Criminal Division, Room 2107 Main
10th & Constitution Avenue, N.W.
Washington, D.C. 20530

James L. Brochin

United States Court of Appeals
For the District of Columbia Circuit

UNITED STATES COURT OF APPEALS FILED MAY 22 1996
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Division for the Purpose of
Appointing Independent Counsels

Ethics in Government Act of 1978, As Amended

In re: Alphonso Michael (Mike) Espy Division No. 94-2

Before: SENTELLE, *Presiding Judge,* and BUTZNER and FAY, *Senior Circuit Judges.*

ORDER

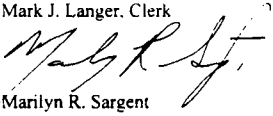
Upon consideration of Independent Counsel Donald C. Smaltz's notice of indictment obtained pursuant to the order filed under seal in the above-captioned matter on April 1, 1996, and the requirement of 28 U.S.C. § 593(b)(4) that the identity and prosecutorial jurisdiction of the independent counsel be made public when any indictment is returned pursuant to the independent counsel's investigation, it is

ORDERED that, upon the return of the indictments, Independent Counsel Smaltz is authorized to make public his prosecutorial jurisdiction set forth in the order filed under seal on April 1, 1996. It is

FURTHER ORDERED that the Clerk unseal the April 1, 1996, order.

Per Curiam

For the Court:
Mark J. Langer, Clerk

by 
Marilyn R. Sargent

workers considered particularly onerous, required the employee to lift heavy boxes and bags all day. Even though the employer cannot lawfully consider Kussair's Union activity as a justification for denying him a position, the particular facts in Kussair's case do not justify the Board's determination that Diamond discriminated against Kussair. Kussair did not initially ask to be a loader; he was not a loader at the time he went on strike; he was told he could transfer into a loader spot and he refused; and the employer could not have known that he would have preferred a strenuous job over a tedious one. Since there was no discriminatory treatment to begin with, the fact that the ALJ rejected the employer's *Fleetwood* defense is irrelevant; there has been no NLRA violation.

In the growers' department, Kussair had trouble meeting his 17,000 grams/day quota, and received oral reprimands three times during his first two weeks. After the third reprimand, he hollered at his supervisor and was given a written reprimand. The Board ordered that the written reprimand be removed from his files, because it "was the product of the unlawful job assignment." J.A. 18. Since the evidence does not support the conclusion that the assignment was unlawful, the order regarding the reprimand must be reversed as well.

III. Conclusion

Contrary to established legal precedent, the majority today approves penalties leveled at returning workers based on mere speculation that the workers—whom the employer admits had good records with the company and about whom the employer had no individualized concerns—will sabotage the company's product or themselves become the victims of co-worker violence. Unlike the majority, I believe that the Board correctly applied the law to the facts when it decided that Diamond had violated the NLRA. The record amply supports the Board's conclusion that these workers did not pose a serious threat to the purity of Diamond brand walnuts or to the safety of either themselves or their fellow employees. We should therefore deny Diamond's petition for review of the Board's order.

In re Alphonso Michael (Mike) ESPY.

Division No. 94–2.

United States Court of Appeals,
District of Columbia Circuit.

(Division for the Purpose of Appointing Independent Counsels Ethics in Government Act of 1978, as Amended).

April 1, 1996.

Independent counsel appointed to investigate alleged improper receipt of gifts by Secretary of Agriculture filed application for referral of related matter under Ethics in Government Act. The Court of Appeals held that: (1) provision of Ethics in Government Act stating that either Attorney General or court may refer related matter to independent counsel permitted court to refer related matter without concurrence of Attorney General; (2) under provision, court is interpreting, but not expanding, independent counsel's original prosecutorial jurisdiction; (3) relatedness under provision depends upon procedural and factual link between Office of Independent Counsel's (OIC) original prosecutorial jurisdiction and matter sought to be referred; and (4) alleged receipt of gifts by associates of Secretary of Agriculture in return for favorable treatment by Department of Agriculture was sufficiently related to independent counsel's original investigation of Secretary's alleged acceptance of gifts from parties with business pending before Department to permit court to refer matter to independent counsel as "related matter."

Application granted.

1. United States ⇐40

Provision of Ethics in Government Act stating that either Attorney General or court may refer related matter to independent counsel permitted court to refer related matter without concurrence of Attorney General. 28 U.S.C.A. § 594(e).

2. Constitutional Law ⇐48(3), 70.1(2)

Court is bound to construe statute to save it from constitutional infirmities; however, this canon of construction does not give court prerogative to ignore legislative will in order to avoid constitutional adjudication, and court must not carry this precept to point of judicially rewriting statute.

3. Statutes ⇐197

Canons of construction ordinarily suggest that statutory terms connected by disjunctive be given separate meaning, and statute written in disjunctive is generally construed as setting out separate and distinct alternatives.

4. Constitutional Law ⇐70.1(12)
United States ⇐40

Under provision of Ethics in Government Act permitting court to refer related matter to independent counsel without concurrence of Attorney General, court is interpreting, but not expanding, independent counsel's original prosecutorial jurisdiction, thus permitting court to make explicit independent counsel's jurisdiction over matter that was implicitly included in original grant of prosecutorial jurisdiction. 28 U.S.C.A. § 594(e).

5. Constitutional Law ⇐70.1(12)
United States ⇐40

Court of Appeals' referral power under Ethics in Government Act provision permitting Court to refer related matter to independent counsel without concurrence of Attorney General does not exceed boundaries of Court's power to define independent counsel's jurisdiction and avoids constitutional difficulties that arise when executive duties of nonjudicial nature are imposed on Article III judges. U.S.C.A. Const. Art. 3, § 1 et seq.; 28 U.S.C.A. § 594(e).

6. Constitutional Law ⇐70.1(12)
United States ⇐40

Relatedness under Ethics in Government Act provision permitting Court of Appeals to refer related matters to independent counsel without concurrence of Attorney General depends upon procedural and factual link between Office of Independent Counsel's (OIC) original prosecutorial jurisdiction and matter sought to be referred. 28 U.S.C.A. § 594(e).

7. United States ⇐40

Alleged receipt of gifts by associates of Secretary of Agriculture in return for favorable treatment by Department of Agriculture was sufficiently related to independent counsel's original investigation of Secretary's alleged acceptance of gifts from parties with business pending before Department to permit Court of Appeals to refer matter to independent counsel as "related matter" under Ethics in Government Act. 28 U.S.C.A. § 594(e).

See publication Words and Phrases for other judicial constructions and definitions.

On Application for Referral of a Related Matter.

Before: SENTELLE, Presiding, and BUTZNER and FAY, Senior Circuit Judges.

Opinion for the Special Court filed PER CURIAM.

PER CURIAM:

Independent Counsel Donald C. Smaltz submits an application for referral of a related matter under section 594(e) of the Ethics in Government Act of 1978, as amended, 28 U.S.C. § 591–599 (1994) ("the Act"). For the reasons set forth below, the application is granted.

INTRODUCTION

This court appointed Donald C. Smaltz as Independent Counsel ("IC") in the matter *In re Alphonso Michael (Mike) Espy*, No. 94-2, on September 9, 1994, in response to the Attorney General's application under section

592(c)(1)(A) for the appointment of an independent counsel with the authority to investigate whether Alphonso Michael (Mike) Espy, Secretary of Agriculture, committed a violation of any federal criminal law relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture. The order appointing IC Smaltz set forth his jurisdiction as follows:

> Donald C. Smaltz ... is hereby appointed Independent Counsel with full power, independent authority, and jurisdiction to investigate to the maximum extent authorized by the Independent Counsel Reauthorization Act of 1994 whether Alphonso Michael (Mike) Espy, Secretary of Agriculture, has committed a violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture.
>
> The Independent Counsel shall have jurisdiction and authority to investigate other allegations or evidence of violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, by any organization or individual developed during the Independent Counsel's investigation referred to above and connected with or arising out of that investigation.
>
> The Independent Counsel shall have jurisdiction and authority to investigate any violation of 28 U.S.C. § 1826, or any obstruction of the due administration of justice, or any material false testimony or statement in violation of federal criminal law, in connection with any investigation of the matters described above.
>
> The Independent Counsel shall have jurisdiction and authority to seek indictments and to prosecute any organizations or individuals involved in any of the matters described above, who are reasonably believed to have committed a violation of any federal criminal law arising out of such matters, including organizations or individuals who have engaged in an unlawful conspiracy or who have aided or abetted any federal offense.
>
> The Independent Counsel shall have all the powers and authority provided by the Independent Counsel Reauthorization Act of 1994. It is
>
> FURTHER ORDERED by the Court that the Independent Counsel, as authorized by 28 U.S.C. § 594, shall have prosecutorial jurisdiction to fully investigate and prosecute the subject matter with respect to which the Attorney General requested the appointment of independent counsel, as hereinbefore set forth, and all matters and individuals whose acts may be related to that subject matter, inclusive of authority to investigate and prosecute federal crimes (other than those classified as Class B or C misdemeanors or infractions) that may arise out of the above described matter, including perjury, obstruction of justice, destruction of evidence, and intimidation of witnesses.

IC Smaltz has filed an application for referral of a related matter pursuant to section 594(e). This section provides

> An independent counsel may ask the Attorney General or the division of the court to refer to the independent counsel matters related to the independent counsel's prosecutorial jurisdiction, and the Attorney General or the division of the court, as the case may be, may refer such matters. If the Attorney General refers a matter to an independent counsel on the Attorney General's own initiative, the independent counsel may accept such referral if the matter relates to the independent counsel's prosecutorial jurisdiction. If the Attorney General refers any matter to the independent counsel pursuant to the independent counsel's request, or if the independent counsel accepts a referral made by the Attorney General on the Attorney General's own initiative, the independent counsel shall so notify the division of the court.

28 U.S.C. § 594(e). In the application, IC Smaltz states that, during the course of his investigation, he has developed substantive evidence of violations of federal criminal law by associates of Secretary Espy in matters related to the original grant of jurisdiction wherein the persons involved, patterns of conduct, witnesses, underlying facts, and ap-

plicable law overlap with his investigation of whether Secretary Espy accepted gifts from organizations or individuals with business pending before the Department of Agriculture.

The Department of Justice ("DOJ") opposes IC Smaltz's application for referral on two grounds. First, DOJ argues that section 594(e) must be read to require the concurrence of the Attorney General before this court can refer related matters to an independent counsel. Second, DOJ maintains that the new matter is not sufficiently connected to IC Smaltz's original grant of jurisdiction to meet section 594(e)'s requirement that the matter to be referred be related to the independent counsel's current prosecutorial jurisdiction.

DISCUSSION

A. Can the court refer a related matter under section 594(e)?

[1] As noted above, section 594(e) gives an independent counsel a choice between asking the Attorney General or the special division for referral of a related matter and further states that either the Attorney General or the court may refer such matters. Reminding the court that "it is the duty of federal courts to construe a statute in order to save it from constitutional infirmities," *Morrison v. Olson*, 487 U.S. 654, 682, 108 S.Ct. 2597, 2614, 101 L.Ed.2d 569 (1988), DOJ maintains that the section must be interpreted as requiring the concurrence of the Attorney General in such a referral to avoid the constitutional problems that would be created by permitting judicial allocation of prosecutorial jurisdiction over the objection of the Executive Branch. *See, e.g., United States v. Nixon*, 418 U.S. 683, 693, 94 S.Ct. 3090, 3100, 41 L.Ed.2d 1039 (1974) (noting that the Executive Branch has exclusive authority to decide whether to prosecute a case); *Morrison v. Olson*, 487 U.S. at 680, 108 S.Ct. at 2613 (observing that one purpose of prohibiting a court's exercise of executive or administrative duties of a non-judicial nature is to maintain the separation between the Judiciary and the other branches of government by ensuring that judges do not encroach upon executive or legislative authority). In *Morrison v. Olson*, the Court considered the various powers the Act bestowed on this court and concluded that they "do not impermissibly trespass upon the authority of the Executive Branch." 487 U.S. at 680–81, 108 S.Ct. at 2613. This, in turn, lead the Court to the conclusion that the Act as a whole "does not violate the separation-of-powers principle by impermissibly interfering with the functions of the Executive Branch." *Id.* at 696–97, 108 S.Ct. at 2622. DOJ argues that construing section 594(e) as IC Smaltz urges, however, would constitute a significant encroachment on executive power and would therefore violate the separation-of-powers principles elucidated in *Morrison v. Olson*.

In *In re Olson*, 818 F.2d 34, 47 (D.C.Cir. 1987), the court considered a previous version of section 594(e) [1] and concluded that it could not refer a matter that the Attorney General had already determined under section 592(b)(1) should not be pursued. Though recognizing that *Olson* does not plainly dispose of the instant question because the Attorney General has not already determined under section 592(b)(1) that the instant matter should not be pursued, DOJ argues that *Olson*'s logic leads to the conclusion that the affirmative concurrence of the Attorney General is required before the court can refer any matter to an independent counsel. Otherwise, DOJ asserts, an independent counsel, going directly to the court for authority over additional matters, as IC Smaltz has done, could sidestep the restrictions imposed by *Olson* and implied by the overall structure of the Act. *See id.* at 47 (observing that to permit the court to refer allegations to the IC when the Attorney General has specifically determined under sec-

1. The previous version of section 594(e) (1982) read as follows. "A[n] independent counsel may ask the Attorney General or the division of the court to refer matters related to the independent counsel's prosecutorial jurisdiction. A[n] independent counsel may accept referral of a matter by the Attorney General, if the matter relates to a matter within such independent counsel's prosecutorial jurisdiction as established by the division of the court. If such a referral is accepted, the independent counsel shall notify the division of the court."

tion 592(b)(1) that those allegations should not be pursued would undercut the intent of section 592(b)(1) and "permit the accomplishment by indirect means of a result that the statute prohibits being accomplished by direct means").

IC Smaltz responds that the statute must be interpreted in accordance with its plain meaning, noting that "[c]ourts are not authorized to rewrite a statute because they might deem its effects susceptible of improvement." *Badaracco v. Commissioner of Internal Revenue*, 464 U.S. 386, 398, 104 S.Ct. 756, 764, 78 L.Ed.2d 549 (1984). The requirement of the Attorney General's affirmative concurrence in a referral appears nowhere in the statute, and IC Smaltz argues that DOJ's request that the statute be interpreted to include such a requirement is no more than a demand that this court legislate into the statute a provision that Congress was at pains to exclude, as evidenced by the legislative history of the amendments to section 594(e) following the decision in *Olson*. Specifically, IC Smaltz argues that in 1987, after *Olson*, Congress proposed amendments to section 594(e), with the Senate version requiring the Attorney General's approval both for a referral under section 594(e) and for an expansion of jurisdiction under section 593(c) and the House version not requiring the Attorney General's approval under either section. IC Smaltz characterizes the resulting amendment as a compromise, under which the Attorney General's approval was required for section 593(c) expansions but not for section 594(e) referrals. *See* H.R.Conf.Rep. No. 452, 100th Cong., 1st Sess. (1987), *reprinted in* 1987 U.S.C.C.A.N. 2150, 2195. Accordingly, IC Smaltz maintains that when Congress amended section 594(e), it clarified that the Attorney General's approval is not required for referrals under that section.

[2, 3] It is certainly true that a court is bound to construe a statute to save it from constitutional infirmities. *Morrison v. Olson*, 487 U.S. at 682, 108 S.Ct. at 2614. "It is equally true, however, that this canon of construction does not give a court the prerogative to ignore the legislative will in order to avoid constitutional adjudication." *Commodity Futures Trading Commission v. Schor*, 478 U.S. 833, 841, 106 S.Ct. 3245, 3251, 92 L.Ed.2d 675 (1986), and a court must not carry this precept to the point of judicially rewriting a statute. *Aptheker v. Secretary of State*, 378 U.S. 500, 515, 84 S.Ct. 1659, 1668, 12 L.Ed.2d 992 (1964). The plain language of section 594(e) in no way suggests that the concurrence of the Attorney General is required before the court can refer a related matter to an independent counsel upon the counsel's request; rather, it plainly contemplates the opposite. The section states, "An independent counsel may ask the Attorney General *or the division of the court* to refer to the independent counsel matters related to the independent counsel's prosecutorial jurisdiction, and the Attorney General *or the division of the court, as the case may be,* may refer such matters." 28 U.S.C. § 594(e) (emphasis added). "Canons of construction ordinarily suggest that terms connected by a disjunctive be given separate meanings," *Reiter v. Sonotone Corporation*, 442 U.S. 330, 339, 99 S.Ct. 2326, 2331, 60 L.Ed.2d 931 (1979), and a statute written in the disjunctive is generally construed as "setting out separate and distinct alternatives." *United States v. Behnezhad*, 907 F.2d 896, 898 (9th Cir.1990). Thus, Congress' use of the disjunctive "or" in this section (twice) indicates it gave the independent counsel a choice between going to the Attorney General or to the court for a referral and that the Attorney General or the court could grant such a referral.

Notably, the section also carefully specifies that if the Attorney General refers a related matter to the independent counsel pursuant to the counsel's request or the independent counsel accepts a referral from the Attorney General on the Attorney General's own initiative, "the independent counsel shall so notify the division of the court." 28 U.S.C. § 594(e). It is simply too great a stretch to believe that Congress would *explicitly* spell out the independent counsel's relatively minor duty of notifying the court when he or she receives a referral from the Attorney General but then, in the same section, *implicitly* impose on the court the major duty of conferring with the Attorney General and getting her concurrence before referring a related matter.

The previous version of section 594(e) stated that the independent counsel "may ask the Attorney General or the division of the court to refer matters related to the independent counsel's prosecutorial jurisdiction." 28 U.S.C. § 594(e) (1982). Congress amended this sentence by adding "and the Attorney General or the division of the court, as the case may be, may refer such matters." 28 U.S.C. § 594(e) (1994). In short, by its plain meaning, the amendment to section 594(e) after this court's decision in *Olson* clarified that the section permits the court to refer a related matter to an independent counsel without the concurrence of the Attorney General. *See* H.R.Conf.Rep. No. 452, *reprinted in* 1987 U.S.C.C.A.N. at 2194–95 (explaining that for related matters, the independent counsel "must apply to the special court or ask the Attorney General for a referral" and that for "matters outside the scope of the independent counsel's jurisdiction, he or she must forward the information to the Attorney General for the conduct of a preliminary investigation which could result in the expansion of that independent counsel's jurisdiction or the appointment of a new independent counsel"). The amendment addressed the concerns raised by *Olson* regarding an independent counsel's ability to gain by indirect means a grant of jurisdiction that was prohibited by direct means. It did so by clarifying that to obtain expanded jurisdiction over unrelated matters not covered by the original grant of prosecutorial jurisdiction, an independent counsel must follow the requirements of section 593(c)(2) and submit the information to the Attorney General, who then conducts a preliminary investigation. Matters that are related to the independent counsel's prosecutorial jurisdiction, however, are governed by section 594(e) and the IC may either ask the Attorney General or the court for a referral and "the Attorney General or the division of the court, as the case may be, may refer such matters."

In sum, we conclude that to construe the statute as DOJ urges would amount to judicially rewriting it, and this we will not do, even to avoid constitutional difficulties.

B. What is a referral of a related matter by the court under section 594(e)?

Having determined that under the Act the court can refer a related matter to an independent counsel under section 594(e) without the concurrence of the Attorney General, we must consider how to determine what constitute related matters. In this inquiry we will address some of the constitutional concerns raised by DOJ in the previous discussion.

When the court in *Olson* decided that it could not refer to the Independent Counsel a matter the Attorney General had already twice refused to pursue, it then considered whether IC Morrison's original grant of jurisdiction already covered the matter over which she sought the referral. 818 F.2d at 47–48. After reviewing the Independent Counsel's original grant of jurisdiction, the court concluded that the Attorney General's failure to refer certain allegations against specific parties alleged to have conspired with Olson "simply cannot impinge upon the Independent Counsel's current jurisdiction," which included the power to investigate other allegations arising out of the investigation, such as whether Olson conspired with others to withhold information. *Id.* Thus, the court could not amend the IC's jurisdiction to permit investigation of the specific parties as "separate subjects," but it could clarify that the IC had the authority to investigate those parties as part of an alleged conspiracy that included Olson. *Id.* In *Morrison v. Olson*, the Supreme Court reviewed whether this court in *Olson* had the power to expound on the reach of IC Morrison's original grant of jurisdiction and determined that it did, reasoning that "the power to 'reinterpret' or clarify the original grant may be seen as incidental to the court's referral power. After all, in order to decide whether to refer a matter to the counsel, the court must be able to determine whether the matter falls within the scope of the original grant." 487 U.S. at 685 n. 22, 108 S.Ct. at 2615 n. 22. The Court also observed that section 594(e) does not empower this court to expand an independent counsel's jurisdiction, but rather, to refer matters that are related to his or her prosecutorial jurisdiction, "as already de-

fined." *Id.* at 680 n. 18, 108 S.Ct. at 2613 n. 18.

[4, 5] The plain language of section 594(e), the structure of the amended Act, and the legislative history of the amendment to the section discussed above, along with the Court's observations about the section in *Morrison v. Olson*, lead us to the following understanding of what constitutes a referral of a related matter by this court under the Act. In referring a related matter, this court is interpreting, but not expanding, the independent counsel's original prosecutorial jurisdiction, thus permitting the court to make explicit the independent counsel's jurisdiction over a matter that was implicitly included in the original grant of prosecutorial jurisdiction.[2] Accordingly, this court's referral power under section 594(e) does not exceed the boundaries of our power to define an independent counsel's jurisdiction as delineated in *Morrison v. Olson*, 487 U.S. at 679, 108 S.Ct. at 2612–13, and avoids the constitutional difficulties identified by DOJ that arise when executive duties of a nonjudicial nature are imposed on judges holding office under Article III of the Constitution. *See Buckley v. Valeo*, 424 U.S. 1, 123, 96 S.Ct. 612, 684–85, 46 L.Ed.2d 659 (1976). This construction is bolstered by the requirement in section 593(b)(3) that the court, when defining an independent counsel's prosecutorial jurisdiction, "assure that the independent counsel has adequate authority to fully investigate and prosecute the subject matter with respect to which the Attorney General has requested the appointment of the independent counsel, *and all matters related to that subject matter.*" 28 U.S.C. § 593(b)(3) (emphasis added); *see also United States v. Wilson*, 26 F.3d 142, 148 (D.C.Cir.1994), *cert. denied*, — U.S. —, 115 S.Ct. 1430, 131 L.Ed.2d 311 (1995). This is why the scope of an independent counsel's jurisdiction "can be both wide in perimeter and fuzzy at the borders." *Wilson*, 26 F.3d at 148.

[6] We must next consider what qualifies as a related matter under the statute and within the confines of this court's power to define an independent counsel's jurisdiction. In *Morrison v. Olson*, the Court stated that Congress could not give this court unlimited discretion to determine the independent counsel's jurisdiction and held that "[i]n order for the Division's definition of the counsel's jurisdiction to be truly 'incidental' to its power to appoint, the jurisdiction that the court decides upon must be demonstrably related to the factual circumstances that gave rise to the Attorney General's investigation and request for the appointment of the independent counsel in the particular case." 487 U.S. at 679, 108 S.Ct. at 2613 (footnote omitted). This contrasts with the Attorney General's broader referral power, which is not constrained by separation-of-powers concerns. In *United States v. Tucker*, 78 F.3d 1313, the Eighth Circuit observed that the limitation on this court's authority to define an independent counsel's jurisdiction is the result of constitutional concerns, and it concluded that the Attorney General is not similarly subject to the "demonstrably related" limitation. Based on the overlap in witnesses and in defendants between the original prosecutorial jurisdiction and the referral jurisdiction at issue, and the relationship between the originally named parties and those named in the referral, the court held, "We have no difficulty in concluding that the required relatedness between original and referral jurisdiction is present here." *Id.* at 1313. Although a matter referred by this court, rather than by the Attorney General, has to meet an apparently higher standard of being "demonstrably related," *see Morrison v. Olson*, 487 U.S. at 679, 108 S.Ct. at 2613, *Tucker* still provides useful guidance for section 594(e) referrals, and we will follow its conclusion that "relatedness for purposes of referral under § 594(e) depends upon the procedural and factual link between the OIC's original prosecutorial jurisdiction and

2. While one might ask why a referral by the court is even necessary if it merely explicates matters already under an independent counsel's jurisdiction, such clarifications can streamline threshold jurisdictional inquiries. For example, the jurisdiction of the Independent Counsel in the *Espy* matter has already been tested in district court by forty-three motions. *See also United States v. Tucker*, 78 F.3d 1313 (8th Cir.1996).

the matter sought to be referred." *Tucker*, 78 F.3d 1313.

C. Is the new matter sufficiently related to the IC's prosecutorial jurisdiction?

[7] It remains only for us to apply our analysis to the facts before us to determine whether the new matter is demonstrably related to the factual circumstances underlying the Attorney General's original investigation and request for appointment of an independent counsel, such that it was implicitly included in IC Smaltz's original prosecutorial jurisdiction.[3] In making this determination, we bear in mind that section 594(e) indicates that the independent counsel has a role in deciding whether a referral matter relates to his or her prosecutorial jurisdiction. The section provides, "If the Attorney General refers a matter to an independent counsel on the Attorney General's own initiative, *the independent counsel may accept such referral if the matter relates to the independent counsel's prosecutorial jurisdiction.*" 28 U.S.C. § 594(e) (emphasis added). As noted in *Tucker*, 78 F.3d 1313, the independent counsel, because of his "intimate knowledge of the course of the investigation, including witness statements, and of other proceedings that may be ongoing before the grand jury," is well-situated to make the relatedness determination, as is the Attorney General when referring a matter to an independent counsel on his or her own initiative.

IC Smaltz maintains that the referral matter directly overlaps his current jurisdiction in terms of persons involved, witnesses, patterns of conduct, and applicable law, and that the factual basis of the referral matter arose directly from his investigation of whether Secretary Espy violated any federal criminal law relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture. While he concedes that the original jurisdictional mandate makes no specific mention of the precise factual matters underlying his referral request, IC Smaltz explains that they share the common foundation of allegations of improper influence exerted in connection with items pending before the Department of Agriculture in return for favors or gifts to Secretary Espy or those close to him, suggesting an ongoing pattern of such dealings, and that certain close associates of Secretary Espy are deeply involved in all of these matters.

DOJ asserts that the matter for which IC Smaltz seeks referral is not sufficiently related to his current prosecutorial jurisdiction because the connection between the alleged wrongdoing by Secretary Espy's associates and the improper acceptance of gifts by Espy is too speculative. In DOJ's view, a referral matter must directly relate to the independent counsel's current jurisdiction or be necessary to advance the resolution of the matter already entrusted to the independent counsel. DOJ maintains that to permit referral in other circumstances gives an independent counsel unlimited jurisdiction and power to prosecute anyone whose path may have crossed that of the named subject of the investigation. The proper course in DOJ's view is for IC Smaltz to allow DOJ to investigate the new matters and determine whether to prosecute any federal offenses it may discover.

IC Smaltz's original prosecutorial jurisdiction covers the receipt of gifts by Secretary Espy from individuals or companies having business before the Department of Agriculture. Obviously, the concern motivating such an investigation is that a cabinet Secretary may have been influenced improperly to favor or intervene in the gift-givers' causes pending before his or her Department. The original jurisdiction also included the authority to investigate other allegations or evidence of criminal violations "by any organization or individual developed during the Independent Counsel's investigation referred to above and connected with or arising out of that investigation." IC Smaltz has described the factual and procedural basis connecting his original jurisdiction and the referral he seeks and supported his arguments with the affidavits

3. This discussion will necessarily be in general terms to preserve confidentiality. *See* 28 U.S.C. § 592(e).

of the agents who uncovered the new matters during their investigation.

We conclude IC Smaltz has shown that the new matter is demonstrably related to the factual circumstances that gave rise to the Attorney General's initial investigation and request for appointment of an independent counsel. He has identified evidence allegedly showing a pattern of conduct involving payments or gifts to Espy and his close associates in return for favorable treatment by the Department of Agriculture, which was developed during the IC's original investigation of Secretary Espy's acceptance of gifts from parties with business pending before the Department of Agriculture and which arose out of that investigation and is connected with it. Accordingly, we grant the application for referral of a related matter under section 594(e).

CONCLUSION

The application of Independent Counsel Smaltz for referral of a related matter under section 594(e) of the Ethics in Government Act of 1978 is granted. The matter shall be referred to Independent Counsel Smaltz by way of the attached, sealed order.



Isabel ARIAS, et al., Appellants

v.

UNITED STATES SERVICE INDUSTRIES, INC., Appellee.

No. 95-7158.

United States Court of Appeals, District of Columbia Circuit.

Argued March 8, 1996.

Decided April 5, 1996.

Employees brought action against employer alleging violation of Fair Labor Standards Act (FLSA) and District of Columbia wage laws. The United States District Court of the District of Columbia, Harold H. Greene, J., entered judgment for employer and employees appealed. The Court of Appeals held that: (1) employees met their burden of proof of showing overtime hours and wages which they had worked and which employer had failed to pay in violation of FLSA and overtime regulations under District of Columbia law, and (2) employee was entitled to $1,866.75 in actual and $1,866.75 in liquidated damages for unpaid premium wages for split shifts she worked for employer under District of Columbia law.

Reversed in part, vacated and remanded.

1. **Labor Relations ⇐1533**

Employees met their burden of proof of showing overtime hours and wages which they had worked and which employer had failed to pay in violation of FLSA and overtime regulations under District of Columbia law and employer failed in its burden of coming forward with counter estimates of employees' overtime hours and wages, given evidentiary difficulties that employees faced as result of employer's failure to maintain accurate time and payment records by workweek and to denominate clearly number of hours being compensated by some payments. Fair Labor Standards Act of 1938, § 7(a)(1), 29 U.S.C.A. § 207(a)(1); 29 C.F.R. § 516.2(a); D.C.Mun.Regs. title 7, § 999.2.

2. **Labor Relations ⇐1544, 1545**

If court fails to find good faith and reasonable grounds for actions under FLSA, employees allegifg FLSA violation are entitled to both actual and liquidated damages equal to actual damages. Fair Labor Standards Act of 1938, § 16(b), 29 U.S.C.A. § 216(b); Portal-to-Portal Act of 1947, § 11, 29 U.S.C.A. § 260.

3. **Labor Relations ⇐1550**

Employee was entitled to $1,866.75 in actual and $1,866.75 in liquidated damages for unpaid premium wages for split shifts she worked for employer under District of Co-

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	
v.	)	Criminal No. 96-0175 (TPJ)
	)	
FIVE M FARMING ENTERPRISES, et al.,	)	
	)	
Defendants.	)	

FILED
OCT 28 1996
CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

MEMORANDUM AND ORDER

Defendants move to dismiss the indictment in its entirety, arguing that Independent Counsel Donald Smaltz lacks jurisdiction to investigate and prosecute the violations alleged therein. The Division for the Purpose of Appointing Independent Counsels of the D.C. Circuit Court of Appeals (the "Special Division") initially ordered the appointment of Smaltz to investigate former Secretary of Agriculture Mike Espy's possible violation of federal criminal laws, and later granted -- over the Attorney General's objection -- Smaltz's application for referral of this case as a "related matter" pursuant to 28 U.S.C. § 594(e). Defendants challenge the Special Division's statutory and constitutional authority to make the referral without the Attorney General's consent. The Special Division itself considered all the relevant issues and held that it may

constitutionally refer matters under § 594(e) that are implicitly covered by the original grant of prosecutorial jurisdiction. In re Espy, 80 F.3d 501, 507 (D.C. Cir. 1996). Defendants ask this Court to overturn the Special Division's holding.

Assuming without deciding that the Court has the power to review the Special Division's referral decision,[1] the Court agrees that the Special Division acted within its authority, primarily because the Five M Farming case is "demonstrably related" to the Espy investigation Smaltz was appointed to oversee. Morrison, 487 U.S. at 679 (establishing "demonstrably

---

[1] In light of the presumption in favor of reviewability, see Abbott Laboratories v. Gardner, 387 U.S. 136, 141 (1966), the Independent Counsel is not convincing in asserting that the unreviewability of a referral by the Attorney General necessitates the same result for a referral by the Special Division. Relatedness determinations made by the Attorney General are shielded from review in accordance with Congress's express wishes. See United States v. Tucker, 78 F.3d 1313, 1319 (8th Cir. 1996). Congress was silent, however, regarding the reviewability of referrals by the Special Division. The distinction is not arbitrary: the Attorney General, clothed with Article II prosecutorial discretion, and the Special Division, an entity with some executive and some judicial attributes, stand on different constitutional footing. Moreover, courts at least implicitly have recognized their power to review the Special Division's jurisdictional determinations. See Morrison v. Olson, 487 U.S. 654, 684 n.22 (1987) (stating in dicta that the Court "saw no impropriety in the Special Division's actions" with regard to its referral of matters under § 594(e)); United States v. Secord, 725 F. Supp. 563, 565 (D.D.C. 1989) ("[T]he question remains whether the Special Division was justified under the Act in conferring such jurisdiction.").

related" standard). The Court has reviewed in camera the evidence of relatedness before the Special Division, and has no doubt that referral of this case did not impermissibly expand the Special Division's original grant of jurisdiction.

For the reasons stated above, it is, this 28th day of October, 1996,

ORDERED, that defendants' motion to dismiss is denied; and it is

FURTHER ORDERED, that trial will proceed as scheduled on November 12, 1996.

Thomas Penfield Jackson
U.S. District Judge

FILED

NOV 12 1997

Clerk, U.S. District Court
District of Columbia

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	
v.	)	Crim. Action No. 97-166 (RCL)
	)	
RONALD HENDERSON BLACKLEY,	)	
	)	
Defendant.	)	

MEMORANDUM OPINION

This matter comes before the court on defendant's Motion to Dismiss Indictment of Ronald Henderson Blackley pursuant to Fed. R. Crim P. 12(b). For the reasons stated in this Memorandum Opinion, defendant's motion is denied.

I. BACKGROUND

A. The Chronology Leading Up to the Motion to Dismiss

On August 8, 1994, Attorney General Janet Reno applied for the appointment of an Independent Counsel under 28 U.S.C. § 592(c)(1) "to investigate whether any violations of federal criminal law were committed by Secretary of Agriculture Alphonso Michael (Mike) Espy, and to determine whether prosecution is warranted." On September 9, 1994, the Special Division for the Purpose of Appointing Independent Counsels of the United States Court of Appeals for the District of Columbia ("Special Division") appointed Donald C. Smaltz as Independent Counsel with the power, authority and jurisdiction to investigate:

> whether Alphonso Michael (Mike) Espy, Secretary of Agriculture, has committed a violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, relating in any way to the acceptance of gifts by him from organizations and individuals with business pending before the Department of Agriculture.

> other allegations or evidence of violation of any federal criminal law, other than a Class B or C misdemeanor or infraction, by any organization or individual developed during the Independent Counsel's investigation referred to above and connected with or arising out of that investigation.
>
> any violation of 28 U.S.C. § 1826, or any obstruction of the due administration of justice, or any material false testimony or statement in violation of federal criminal law, in connection with any investigation of the matters described above.
>
> [and] to seek indictments and to prosecute any organizations or individuals involved in any of the matters described above, who are reasonably believed to have committed a violation of any federal criminal law arising out of such matters, including organizations or individuals who have engaged in an unlawful conspiracy or who have aided and abetted any federal offense.

Under the authority of 28 U.S.C. § 594, the Special Division also granted the Independent Counsel the prosecutorial jurisdiction to fully investigate and prosecute "all matters and individuals whose acts may be related to that subject matter, inclusive of authority to investigate and prosecute federal crimes (other than those classified as Class B or C misdemeanors or infractions) that may arise out of the above described matter, including perjury, obstruction of justice, destruction of justice and intimidation of witnesses."

On January 25, 1996, the Independent Counsel filed under seal an Application for Referral of a Related Matter with the Special Division. This application was opposed by the Attorney General. Pursuant to 28 U.S.C. § 594(e), the Special Division granted the Independent Counsel's application on April 14, 1996, ordering referral of the related matter, and granting the following investigative and prosecutorial jurisdiction:

> The jurisdiction and authority to investigate and prosecute any violation of any federal law, other than a Class B or C misdemeanor, by any organization or individual, related to any application, appeal or request for subsidy made to or considered by the United States Department of Agriculture, for which Secretary of Agriculture Alphonso Michael (Mike) Espy and/or his Chief of Staff Ronald Blackley intervened in the application, approval, or review process.

In support of its grant of referral jurisdiction, the Special Division noted that Independent Counsel Smaltz had shown that the new matter was "demonstrably related to the factual circumstances that gave rise to the Attorney General's initial investigation and request for appointment of an independent counsel." In re Espy, 80 F.3d 501, 509 (D.C. Cir. 1996). Specifically, the Special Division noted "He [IC Smaltz] has identified evidence allegedly showing a pattern of conduct involving payments or gifts to Espy and his close associates in return for favorable treatment by the Department of Agriculture." Id.

On April 22, 1997, a federal grand jury in the District of Columbia returned a three-count indictment against defendant Ronald Henderson Blackley, former Chief of Staff to Secretary of Agriculture Mike Espy. Specifically, it is alleged that Charles Fuller, a longtime friend and business associate of Mr. Blackley, caused to be made payments in the amount of $21,025 to Mr. Blackley and his wife Sharon Blackley between the dates of January 5, 1993 and December 15, 1993. Also, on or about May 22, 1993, Charles ("Buddy") Cochran, the owner and operator of a farming operation known as "Coco Planting Company" gave defendant Blackley and/or Sharon Blackley a check for $1,000 payable to Ron Blackley Jr., which was later deposited into the joint checking account of Ronald

and Sharon Blackley. Both Fuller and Cochran sought and received monetary subsidies from the Department of Agriculture ("USDA") in 1993, the former receiving $63,000, and the latter $284,000.

In the first count of the indictment, the grand jury charged Blackley with knowingly and willfully making false, fictitious and fraudulent statements and representations for his failure to report the receipt of the $22,025 on his Public Financial Disclosure Report for 1993 ("Form SF 278"), in violation of the Ethics in Government Act, 18 U.S.C. § 1001. In the second count, it is alleged that Mr. Blackley signed a sworn declaration as part of the Department of Agriculture's Office of Inspector General's ("USDA-OIG") investigation of him that contained a false statement concerning his alleged receipt of aforementioned payments, also in violation of 18 U.S.C. § 1001. In the third count, Mr. Blackley is again charged with a violation of 18 U.S.C. § 1001 for a false statement regarding his alleged receipt of the aforementioned payments in a sworn declaration taken as part of a United States Agency for International Development Office of Inspector General ("US AID-OIG") investigation as to whether he should retain his Top Secret security clearance.

B. The Motion to Dismiss

Mr. Blackley asks this court to dismiss the indictment, contending that the Independent Counsel is without jurisdiction to prosecute the aforementioned charges. He asserts that his prosecution is not about illegal gifts to Mike Espy, nor about improper intervention into the application, approval or review of

Department of Agriculture subsidies. Therefore it does not charge misconduct cognizable under "the limited prosecutorial authority granted to the Independent Counsel." Supplemental Memorandum in Support of the Motion to Dismiss Based on Lack of Jurisdiction ("Supplemental Memorandum") at 2. He contends that the charges against him involve nothing more than the completeness of his 1993 financial disclosure statement, a matter he claims to be completely outside of the purview of the Special Division's jurisdictional grant, which is limited to charges concerning intervention in subsidy applications, appeals, and requests and federal criminal violations related to such interventions.

Defendant offers three specific challenges in support of his motion to dismiss the indictment. First, he alleges that there is not a sufficient connection or the requisite degree of relatedness between the offenses charged in the indictment and the Special Division's grant of jurisdiction. Second, he contends that this prosecution is statutorily impermissible because it is contrary to established Department of Justice policy proscribing prosecution of alleged violations of 18 U.S.C. § 1001, "unless the nondisclosure conceals significant underlying wrongdoing." Defendant claims that under section 594(f)(1) of the Ethics in Government Act, an Independent Counsel is required to comply with the written and established policies of the Department of Justice respecting the enforcement of the criminal laws. This prosecution, Blackley claims, contravenes that DOJ policy and therefore the indictment must be dismissed as violative of section 594(f)(1). Finally, defendant's original Motion to Dismiss challenges the

constitutionality of the Special Division's referral order. Defendant essentially argues that a referral of a related matter under section 594(e) is unconstitutional in cases in which the Attorney General specifically opposes the Independent Counsel's request. Each of these challenges will be addressed in turn.

II. ANALYSIS

A. The Argument That The Indictment Itself Fails to Demonstrate a Connection Between the Offense Charged and the Independent Counsel's Jurisdiction.

Mr. Blackley contends that there is no demonstrable causal or logical connection between the 18 U.S.C. § 1001 false statement violations alleged in the indictment and either the scope of the original mandate or the subsequent referred matter. Defendant argues that, "[i]f the alleged false statements charged in the Indictment fall within this aspect of the mandate [intervention in subsidy applications, appeals or review], the Indictment certainly does not allege it" and "if gifts to Secretary Espy are the predicate for Mr. Blackley's allegedly false statements, there is no indication of it in the Indictment." Supplemental Memorandum at 5. Defendant essentially argues that the relationship between the jurisdictional mandate and the charges brought by the Independent Counsel must be demonstrated in the language of the indictment, with something tantamount to a "statement of relatedness" establishing the required connection. Restated, Mr. Blackley contends that the failure to facially demonstrate the logical relationship between the charges brought and the limited prosecutorial scope of the Special Division's order is fatal to the

indictment.

As a threshold matter, the scope of the phrase "related to" in the context of the connection that must exist between an indictment and the jurisdictional mandate has been addressed by this district. In United States v. Secord, 725 F. Supp. 563 (D.D.C. 1989), the Independent Counsel obtained an indictment against General Richard V. Secord for perjury and obstruction arising out of Secord's testimony before Congress in connection with the Iran-Contra hearings. As in the instant case, Secord argued that the prosecution of perjury counts fell outside the jurisdiction granted to the Independent Counsel. The question before then-Chief Judge Aubrey E. Robinson, Jr. was whether the alleged perjury was "related to in any way" to the events specified in the Special Division's Order. Id. at 564. The court answered the question in the affirmative, stating, "Clearly, the answer is yes. It cannot be denied that the congressional investigation itself `arose from' the events constituting the Iran-Contra initiative." Id. Because General Secord's congressional testimony was on the topic of Iran-Contra, and because his alleged perjury might have been motivated by a desire to conceal his role in the Iran-Contra affair, the court found the requisite degree of relatedness between the charges in the indictment and the subject matter of the Independent Counsel's jurisdiction to conclude that prosecutorial jurisdiction was proper. Significantly, the Poindexter court also noted that "[t]o demonstrate that one occurrence is `related' to another, [the OIC] need only show that there is reasonable causal or logical connection between the two, some tenable correlation between

events." Id. at 566.

At least two prosecutions brought by Independent Counsel Smaltz in conjunction with the Mike Espy investigation have been challenged on jurisdictional grounds, with defendants claiming in both instances that the charges in the indictment were insufficiently related to the authority granted the Independent Counsel by the Special Division. In United States v. Crop Growers Corp., 954 F. Supp. 335, 341-42 (D.D.C. 1987), the court found a legally sufficient relationship between illegal campaign contributions to Mike Espy's brother Henry and the Independent Counsel's mandate. Applying the above-cited Secord standard for "relatedness," ("a reasonable causal and logical connection") the court determined that "allegations that an organization with business pending before the Department of Agriculture made an illegal campaign contribution to Secretary Espy's brother to curry favor with the Secretary falls within the mandate of that Appointment Order." Id. at 342. The court concluded that a contribution to Henry Espy's campaign by one who had business before the Department of Agriculture could potentially influence the Secretary to intervene on behalf of the gift-giver. Consequently, the charged conduct — the campaign contribution — was causally and logically connected to the Special Division's jurisdictional grant — improper influence on the Secretary of Agriculture — and defendant's challenge to the indictment was denied.

Similarly, in United States v. Sun-Diamond Growers of California, 941 F. Supp. 1262 (D.D.C. 1996) defendants argued that

seven counts in their indictments alleging a scheme to make unlawful corporate contributions to Henry Espy did not relate specifically to the subject of gratuities, and therefore exceeded the Independent Counsel's jurisdiction. Id. at 1272. The court rejected this claim, holding that the counts in question were related to the original subject matter of the investigation, noting that "[t]he factual predicate is intertwined with the original core subject matter of the Attorney General's original investigation as well as the subsequent related referral . . . " Id. at 1274. Again, the court found the requisite "causal and logical connection" between individuals or organizations who helped retire Henry Espy's campaign debt via allegedly illegal contributions and the potential for improper influence upon Secretary Espy such that the Independent Counsel's jurisdiction over the challenged counts was properly exercised.

Significantly, in making these determinations of relatedness, neither the Secord nor Sun-Diamond Growers nor Crop-Growers courts required what defendant appears to be calling for here — that the text of the indictment provides the demonstrable causal and logical connection between the charged violations and the subject matter of the Independent Counsel's investigation. None of the case law even remotely suggests that the grand jury's failure to facially demonstrate relatedness is fatal to the sufficiency of the indictment. In fact, at least one of the aforementioned cases implies the opposite. "The relationship must be "demonstrable," that is, something that is evident initially and without great steps of logic. The courts are routinely called upon to draw

lines, and this is simply another of those cases . . . Secord, 725 F. Supp. at 567 (emphasis added). In each instance, the courts considered the Special Division's order, the challenged counts, and reached a conclusion as to whether the requirement of relatedness was satisfied. This court will now do the same in determining whether the language of the original order and/or the referred matter supports the Independent Counsel's prosecution of charges arising exclusively under 18 U.S.C. § 1001.

Though the Blackley prosecution is arguably within the scope of the Special Division's original jurisdictional grant, the connection is more easily demonstrated by reference to the referred matter; consequently, this court will limit its consideration to that order. The April 1996 referral order permits the Independent Counsel to investigate and prosecute any violation of any federal law "related to any application, appeal, or request for subsidy . . . for which . . . Chief of Staff Ronald Blackley intervened in the application, approval or review process." Each count in the indictment contends that Ronald Blackley made a false statement by failing to disclose his receipt of payments totaling $22,025, first on his Form SF-278, then pursuant to the USDA-OIG sworn declaration, and finally, pursuant to the US AID-OIG sworn declaration. The background section of the indictment explains that this income was allegedly received from Mr. Fuller & Mr. Cochran, who both sought and received subsidies from the Department of Agriculture in 1993, the same year in which the alleged payments were received by Blackley. Though defendant cannot discern the "reasonable causal or logical connection" between the alleged false

statements and the jurisdictional mandate, this court can. An endeavor to conceal payments received from a Department of Agriculture subsidy applicant could be a causal consequence of possible intervention in the application process on behalf of those from whom he received payment. It is both logical and reasonable to surmise that if Ronald Blackley improperly intervened in either Fuller and/or Cochran's subsidy application, approval or review, and received payments in anticipation of or as a result of that intervention, he would not report such "income" on financial disclosure forms, or answer truthfully as to whether he received such payments when interviewed by USDA or US AID investigators.

A finding of relatedness based upon this type of inference is not without precedent this in district. In finding that General Secord's indictment was within the scope of the Special Division's jurisdictional mandate in Secord, Judge Robinson concluded that "[d]efendant's alleged perjury could well be construed as part of a continuing effort to conceal the extent and detail of the "enterprise," Secord, 725 F. Supp. at 566 (emphasis added). If one substitutes the words "falsification of financial statements" for the word "perjury" in the above excerpt, the similarities between Secord and the instant case become patently apparent. If Mr. Blackley did, in fact, attempt to intervene in subsidy applications or reviews on behalf of Fuller or Cochran, the alleged falsifications on his financial disclosure form and on the two sworn declarations could logically be part of a "continuing enterprise" to conceal his intervention. That nexus is sufficient to provide the "reasonable causal or logical connection" and the

"tenable correlation between events" that is required to support the Independent Counsel's prosecution of these charges.

This court is satisfied that the three 18 U.S.C. § 1001 charges against Ronald Blackley are sufficiently related to the Special Division's jurisdictional grant in the referred matter. Therefore, this court will not grant defendant's motion to dismiss the indictment on the basis that the Independent Counsel has acted in excess of its defined jurisdiction.

B. The Argument That The Prosecution of this Case By the Independent Counsel Circumvents Established Department of Justice Policy.

Under section 594(f)(1) of the Ethics in Government Act, an Independent Counsel:

> shall, except to the extent that to do so would be inconsistent with the purposes of this chapter, comply with the written or other established policies of the Department of Justice respecting enforcement of the criminal laws. To determine these policies . . . the independent counsel shall, except to the extent that doing so would be inconsistent with the purposes of this chapter, consult with the Department of Justice.

The rationale underlying the promulgation of this addition to the Independent Counsel statute was to ensure that an Independent Counsel's prosecutorial jurisdiction is subject to some safeguards against overreaching and abuse. "The intent of this change is to create a presumption that the special prosecutor will follow prosecutorial guidelines unless extenuating circumstances exist. Sen. Rep. No. 97-496, at 16 (1982), reprinted in 1982 U.S.C.C.A.N. 3537, 3552. At the same time, it also alleviates some of the concern that the Independent Counsel law may be unconstitutional

because it violates the doctrine of separation of powers. See Morrison v. Olson, 487 U.S. 654, 696 (1988) (noting that adherence to Justice Department policies unless not possible to do so does "give the Attorney General [a] means of supervising and controlling the prosecutorial powers that may be wielded by an Independent Counsel").

Defendant contends that his indictment cannot be sustained because it is in contravention of DOJ policy and therefore violates section 594(f)(1). The Department of Justice Manual directs its prosecutors "not to prosecute an EIGA [Ethics in Government Act] violation under section 1001 unless the nondisclosure conceals significant underlying wrongdoing." Department of Justice Manual at 9-85A.304. Mr. Blackley argues that because it is contrary to DOJ policy to bring an 18 U.S.C. § 1001 indictment for a financial non-disclosure in the amount of $22,000, the Independent Counsel is statutorily proscribed from doing so. In other words, defendant contends that section 594(f)(1) gives DOJ prosecutorial policy the force of law when applied to the Independent Counsel, even though it is conceded that the same policies are merely discretionary when applied to executive branch prosecutors. See United States v. Poindexter, 725 F. Supp. 13, 38 (D.D.C. 1989) (citing United States v. Busher, 817 F.2d 1409, 1411-12 (9th Cir. 1987) (holding that the decision to prosecute a violation of the law cannot be deemed flagrant misconduct, and noting that "The U.S. Attorney's Manual . . . 'is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter, civil or criminal. Nor are any

limitations hereby placed on otherwise lawful litigative prerogatives of the Department of Justice.")).

A section 594(f) challenge to an Independent Counsel indictment has been raised in this district at least once before, and rejected. In United States v. Poindexter, 725 F. Supp. 13, 38 (D.D.C. 1989), defendant John M. Poindexter sought to have charges dismissed because the indictment was inconsistent with the prosecutorial policies of the Department of Justice. The court found this claim to be without merit, explaining:

> The very nature of the Independent Counsel's responsibilities suggests that it may not always be possible for him to follow those policies, and it is for that very reason that the Independent Counsel statute explicitly provides that he is required to follow Department of Justice policies "only to the extent possible."

Id. (footnotes omitted). Poindexter therefore holds that while there is a general presumption that an Independent Counsel should follow the policies and procedures of DOJ, the plain text of section 594(f)(1) indicates that it is not an absolute, lock-step requirement. In some circumstances, it is expected that the Independent Counsel will depart from the guidelines and seek indictments that would not normally be brought by a United States Attorney.

This court agrees with both the Poindexter holding and the logic underlying it as to whether an Independent Counsel is bound by statute to follow established DOJ policy in all cases. It is undeniable that Congress's addition of section 594(f) to the Independent Counsel statute in 1982 created somewhat of a paradox between that provision's purpose and the rationale underlying the

overall Independent Counsel framework. On the one hand, through section 594(f)(1), Congress is ensuring that there are not two different standards of justice depending on the prosecutor; that "treatment of officials is equal to that given to ordinary citizens under similar circumstances." Sen. Rep. No. 97-496, at 16 (1982), reprinted in 1982 U.S.C.C.A.N. 3537, 3552. To prevent against public officials being subject to potentially capricious prosecutorial conduct, an Independent Counsel needs to be tethered to some quantifiable standard, and the Department of Justice policy guidelines provide arguably the most complete, detailed and time-tested standards available. Furthermore, as explained above, adherence to the executive branch's established prosecutorial guidelines helps to guard against constitutional separation-of-powers challenges to the Independent Counsel statute. See Morrison, 487 U.S. at 696.

On the other hand, if an Independent Counsel is supposed to operate as nothing more than the identical twin of the Department of Justice, with no permissible variance in prosecutorial discretion, then the need for the Independent Counsel structure becomes highly questionable. Underlying the Attorney General's decision to proceed under 28 U.S.C. § 592 and invoke the Independent Counsel statute is a presumption that the executive branch is an ineffective prosecutor of high ranking federal executive officials and national campaign committee officers, and where conflicts of interest may affect the Department of Justice's objective exercise of prosecutorial discretion. See 28 U.S.C. §§ 591 (b), (c) (describing the persons for whom and situations under which

invocation of the Independent Counsel statute is applicable). For the Independent Counsel to play a meaningful role, he or she is necessarily expected to act in a manner different from, and sometimes at odds with, the Department of Justice. As noted in Poindexter, "[t]he Independent Counsel, as the very name suggests, is to be independent of the Attorney General." Poindexter, 725 F. Supp. at 38.

In recognition of the need to have safeguards against potential abuse while at the same time recognizing the special role of the Independent Counsel, section 594(f) includes the crucial qualifier "to the extent possible" in requiring adherence to DOJ policies. "[T]he Committee does not intend that independent counsels comply with Department policies which would undermine their independence or hinder their mission." Sen. Rep. No. 103-101, at 32 (1993), reprinted in 1994 U.S.C.C.A.N. 748, 777. The question ultimately presented by this challenge to the indictment is whether the charges against Ronald Blackley present a case where adherence to DOJ policies would be inconsistent with the purposes of the Independent Counsel statute, and therefore permissible under section 594(f)(1). The court's answer is in the affirmative, as it is this court's conclusion that these alleged violations of 18 U.S.C. § 1001, which involve either "knowing" or "willful" false statements by Blackley, involve the type of ethically-based offenses which the section 594(f)(1) "to the extent possible" exception anticipates. Therefore, the Independent Counsel may prosecute this case, even if said prosecution is contrary to the general prosecutorial policies of

DOJ.[1]

The Independent Counsel statute was promulgated in the wake of the Watergate scandal, at a time when the nation's confidence in public officials was at an historical nadir. The aspirational goal of the Independent Counsel law was to give the public confidence that crimes committed by government officials would be fully and fairly investigated and prosecuted by an entity with some measure of independence from the individuals he or she must investigate and prosecute. Whenever the Attorney General applies to the Special Division for the appointment of an Independent Counsel, he or she is necessarily addressing a situation in which the integrity of public officials has either been called into question or may soon be called into question. In essence, the Attorney General is charging the Independent Counsel not only with the responsibility of investigating and prosecuting government officers, but also, by implication, with maintaining and/or restoring public trust in government. In this court's view, adherence to an executive branch policy that directs a prosecutor to not pursue indictments against executive branch employees for their criminal ethical violations is in direct contravention with the task with which an Independent Counsel is charged. To statutorily proscribe an Independent Counsel from seeking indictments under ethically oriented statutes is a restriction at odds with the "mission" of an Independent Counsel,

---

[1]Because this court resolves defendant's challenge on the grounds that proscribing this prosecution would be inconsistent with the purposes of the Independent Counsel statute, it will not address the question as to whether this prosecution is, in fact, contrary to the policies of the Department of Justice.

namely, to ensure that government officials are being properly investigated and prosecuted for alleged breaches of the public trust. For this reason, to follow the policy of DOJ would be "inconsistent with the purposes of this chapter [the Independent Counsel statute]" and, therefore, departures from the policy are not only permissible, but expected.

While there is no doubt both a reasonable and logical rationale that supports the Department of Justice's policy to not pursue an alleged Ethics in Government Act violation under section 1001 unless that violation "conceals significant underlying wrongdoing," that rationale cannot be applied to the particular task with which an Independent Counsel is charged. Potential criminal ethical violations that may be too small to concern the Department of Justice are nonetheless properly within the purview of the Independent Counsel because the Independent Counsel is, in a sense, charged with the responsibility of ensuring that public officials have maintained the highest standards of ethical conduct. Following an executive branch policy concerning 18 U.S.C. § 1001 could prevent an Independent Counsel from performing the exact task that the executive branch, the Special Division, and by implication, the public, have asked him or her to perform.

Because one of the purposes of the Independent Counsel statute is to maintain public confidence in the conduct of government officials, an Independent Counsel needs to have significant latitude to investigate and prosecute alleged criminal violations that call into question ethical conduct. Mr. Blackley has been charged with three violations of 18 U.S.C. § 1001 for allegedly making knowing

or willful false statements. As these charges raise questions concerning Mr. Blackley's ethical conduct, these prosecutions, for the reasons stated above, are properly pursued by the Independent Counsel. Therefore, this court holds that, even if bringing these charges against Ronald Henderson Blackley is inconsistent with written and established DOJ policy (an issue this court declines to address, see FN 1), the indictment nonetheless does not violate section 594(f) because the charges fall under the "inconsistent with the purposes of this chapter" exception to the requirement that the Independent Counsel follow DOJ prosecutorial policies. This court will therefore not grant defendant's motion to dismiss on the basis that the prosecution of this case circumvents established DOJ policy and is therefore prohibited under section 594(f)(1).

C. Did the Special Division have the Power to Refer This Matter to the Independent Counsel?

Defendant's original Motion to Dismiss the Indictment alleges that the Special Division exceeded its constitutional powers when it referred a related matter under section 594(e) over the express objection of the Attorney General. That motion asserts that the exercise of prosecutorial jurisdiction by the Independent Counsel that is not pursuant to a specific request by the Attorney General violates Article II, Article III, and Morrison v. Olson. Notably, defendant's Supplemental Memorandum largely abandons this challenge to the validity of the indictment.[2]

---

[2] Defendant's original counsel, who filed the initial Motion to Dismiss, was disqualified. See United States v. Blackley, --- F. Supp. --- (D.D.C. August 22, 1997). The supplemental

To properly address this argument, this court would have to determine whether the modification of the jurisdictional mandate should have been done under the referral power of section 594(e) (which does not require a request by the attorney general) or the expansion power of § 593(c)(2) (which does), and whether this particular section 594(e) referral was unconstitutional because it permitted the creation of prosecutorial jurisdiction over the express objection of the Attorney General, arguably infringing upon the executive branch's exclusive power to enforce the laws of the United States.

However, this court is not jurisdictionally situated such that it may consider these claims as these issues were considered, analyzed and definitively answered in In re Espy, 80 F.3d 501 (D.C. Cir. 1996). Congress designated the Special Division a "division of the United States Court of Appeals for the District of Columbia Circuit." 28 U.S.C. § 49. For this court to review the constitutionality of the referral jurisdiction granted In re Espy would require it to sit in an appellate capacity over the D.C. Circuit, which it cannot and will not do. If the Special Division concluded that "the new matter is demonstrably related to the factual circumstances that gave rise to the Attorney General's initial investigation and request for appointment of an independent counsel," In re Espy, 80 F.3d at 509, this court is not empowered to disturb those findings. Nor may this court substitute its own

---

memorandum was filed by new counsel, who entered their appearance on September 22, 1997.

constitutional analysis of § 594(e) and conclude that the concurrence of the Attorney General is required before the Special Division can refer related matters. The Espy court determined that under the Act the court can refer a related matter to an Independent Counsel under section 594(e) without the concurrence of the Attorney General. Id. at 504-06. To the extent defendant is challenging the jurisdiction of the Independent Counsel based upon arguments already asserted by DOJ and resolved by the Special Division, defendant's motion to dismiss cannot be granted.

A separate order shall issue this day.

Royce C. Lamberth
United States District Judge

Date: 11-12-97

Dispute at Justice Dept. Over Clinton Inquiry Comes Into Sharper Focus

By DAVID JOHNSTON

WASHINGTON, Nov. 24 — Their argument sums up a problem at the heart of the campaign finance case. The F.B.I. Director, Louis J. Freeh, wants an outside prosecutor to investigate the tangle of shadowy events and powerful politicians that surround the immediate issue of whether President Clinton illegally made a fund-raising call from the wrong phone at the White House.

News Analysis

Janet Reno, Mr. Clinton's Attorney General, seems to be racheting up the standard of proof required before she refers a case to an outside prosecutor, whose work often lasts for years, costs millions of dollars and sometimes ends up focusing on side issues.

In any case, she has said, legal questions have to be answered precisely, and whether Mr. Clinton used the wrong phone for the wrong call is exactly such a question.

These two views are at the root of an argument that is coming clearly into view between Mr. Freeh and Ms. Reno. The split between two of the country's most powerful law enforcement officials has been known for months. But the issue remained merely a mild embarrassment for Ms. Reno, as long as the investigation into Mr. Clinton and Mr. Gore moved forward.

But now as Ms. Reno seems poised to make a decision that would halt the inquiries into some fund-raising activities by Mr. Clinton and Mr. Gore, the Justice Department and the Federal Bureau of Investigation have been thrown into sharp relief, although aides to both said that Ms. Reno and Mr. Freeh remain cordial and close associates.

Today, memos advising Ms. Reno to end the Clinton-Gore inquiries continued to circulate in the Justice Department.

Although she has until Dec. 2 to make a decision on whether to refer the Clinton-Gore investigations to independent prosecutors, her aides said they had hoped to reach a decision before she left for Mexico on Tuesday but had not made a final determination today.

Mr. Freeh's aides have complained that mid-level Justice Department lawyers were preparing recommendations about the Clinton-Gore telephone solicitations of donors without adequately consulting the F.B.I. investigators on Ms. Reno's campaign finance team, despite a pledge by Ms. Reno that she would not close any line of inquiry without Mr. Freeh's concurrence.

Today, Justice Department officials scoffed at the F.B.I.'s complaints, saying that the agency's campaign finance investigators had been plugged into the decision-making.

Justice Department officials said the F.B.I. seemed to be trying to distance Mr. Freeh from a decision against an independent counsel to avoid the wrath of Republican lawmakers who have demanded an outside investigation.

"The idea that Louie Freeh or the F.B.I. is reluctant to make their views known to the Justice Department is ludicrous," one Justice Department official said.

But F.B.I. officials said their views were not incorporated into memos prepared for the Attorney General last week concluding that she should not seek an independent counsel to investigate the Clinton-Gore phone calls.

"We are not playing games, it just didn't happen," an F.B.I. official said.

Mr. Freeh, a former prosecutor and Federal judge, has not disagreed with Ms. Reno's interpretations of the evidence. His main criticism has centered on her narrow legal focus.

In letters to Congress explaining her decisions in recent months not to seek outside prosecutors for donors' overnight stays at the White House or coffees with the President, for example, it has been evident that her judgments are based on a fine-filter analysis of the evidence and law.

Mr. Freeh, on the other hand, is said to have urged her to consider the issues more broadly, arguing that only an outside prosecutor can credibly investigate the messy allegations about the 1996 Presidential election that are inherently difficult for Mr. Clinton's Attorney General to impartially examine.

Over all, the campaign finance inquiry is fraught with national security implications because of the assertions that that China tried to improperly influence the process, in the F.B.I.'s view.

The New York Times
Tuesday
November 25, 1997 Pg 1 of 2

The investigation involves dozens of politically influential Democratic fund-raisers and top officials like Mr. Clinton, Mr. Gore and Cabinet officers like Interior Secretary Bruce Babbitt and former Energy Secretary Hazel R. O'Leary.

On the other hand, Ms. Reno's unwillingness to seek an independent prosecutor in the campaign finance case appears to be shaped by her experiences — almost all bad from her point of view — with other outside counsels appointed at her request since she took over in 1993.

Early in her tenure, she expressed broad support for handing off inquiries that seemed to cast even a shadow of conflict over the department's ability to fairly investigate high Administration officials.

But in recent years, top advisers to Ms. Reno have complained bitterly about the quality of independent prosecutors, who are picked by a panel of three appellate judges headed by David B. Sentelle of the District of Columbia Circuit.

Democrats have complained that Judge Sentelle, an appointee of President Ronald Reagan, is a North Carolina political supporter of Republican Senator Jesse Helms.

And in recent days, some Justice Department officials have derisively dismissed the suggestion that the outside prosecutors selected by Judge Sentelle's panel are in fact any more independent than Ms. Reno.

These officials regard four of the five independent prosecutors appointed under Ms. Reno as overzealous amateurs who have tried repeatedly to expand jurisdiction. The name of the fifth has never been made public.

Ms. Reno's aides have said she has applied the same standards to each appointment decision, but some lawyers who have worked with the Attorney General in recent years have said she has seemed to impose a higher standard as dissatisfaction with the counsels increased.

Only one prosecutor appointed at Ms. Reno's request has closed down: Daniel S. Pearson, who was named to investigate possible financial improprieties by former Commerce Secretary Ronald H. Brown, ended his work after Mr. Brown was killed in a plane crash.

The New York Times
Tuesday
November 25, 1997
Pg 2 of 2

Experience Sours a Once-Enthusiastic Reno on Applying the Independent Counsel Law

By STEPHEN LABATON

WASHINGTON, Nov. 28 — When Janet Reno became Attorney General, she championed the independent counsel law as a way to assure the impartiality of investigations into top Administration officials. Not anymore.

Nearly five years later, after repeated clashes with independent prosecutors, Ms. Reno and her advisers have grown disillusioned with many aspects of the independent counsel law, say Justice Department officials, current and former.

In recent months, when reporters have asked what she thinks of the law, the Attorney General has pointedly declined to comment.

Ms. Reno's disputes with independent prosecutors, waged largely in closed arguments and sealed court documents, are emerging as a sobering experience that is shaping her views as she nears the deadline of next Tuesday. By then, she must decide whether to seek the appointment of a new counsel to investigate fund-raising telephone calls in the White House by President Clinton and Vice President Al Gore.

After clashes with the prosecutors, disillusionment.

While her aides have recommended that she not seek such a counsel, Ms. Reno has shown no sign that she is close to a decision. She has been spending her Thanksgiving holiday in Florida with her family and resting after a brief trip to Mexico, where she was briefly hospitalized earlier this week after complaining of nausea and dizziness.

Justice Department lawyers have had many complaints about independent counsels, and they are acutely aware of bitter White House complaints that Ms. Reno has turned to the statute too often, and at times, for seemingly trivial matters.

Those counsels appointed at Ms. Reno's request have run up expenses into the tens of millions of dollars and forced relatively peripheral figures — in some cases Government employees — to spend thousands of dollars in legal fees. Yet not one of the independent prosecutors appointed during Ms. Reno's tenure has yet won a conviction against the principal Clinton Administration figure they were originally appointed to investigate.

One counsel, Donald C. Smaltz, has brought charges against his main investigative subject, former Agriculture Secretary Mike Espy. Another, Kenneth W. Starr, has won several significant convictions and plea bargains, including against James B. and Susan McDougal, the former business partners of the Clintons; Webster L. Hubbell, the former Associate Attorney General, and Jim Guy Tucker, the President's successor as Governor of Arkansas.

Only two outside prosecutors sought by Ms. Reno have actually completed their work. The first is a still unidentified counsel who declined to prosecute Eli J. Segal, the former head of President Clinton's Corporation for National Service. The other, Daniel S. Pearson, referred his inquiry back to the Justice Department after the focus of his investigation, Commerce Secretary Ronald H. Brown, was killed last year in a plane crash near Dubrovnik, Croatia.

Some of Ms. Reno's aides have denied that her approach to the law has hardened because of her experience. They said that she approached each counsel decision on its own merits and added that the department lawyers were accustomed to enforcing statutes passed by Congress that they did not fully support.

But a shift in the Attorney General's thinking about independent prosecutors seems apparent in her own words. On May 14, 1993, two months after she took office but many months before she sought her first independent counsel, Ms. Reno said: "The reason that I support the concept of an independent counsel with statutory independence is that there is an inherent conflict whenever senior executive branch officials are to be investigated by the department and its appointed head, the Attorney General. The Attorney General serves at the pleasure of the President."

Contrast that statement to Ms. Reno's remarks last April, when she turned down requests for an independent counsel to examine whether Mr. Clinton or Mr. Gore violated Section 607 of the Federal criminal code, which makes it a crime for Federal officials to raise money on Government property.

"First," she said, "the law applies specifically only to contributions as technically defined by the Federal Election Campaign Act (F.E.C.A.) — funds commonly referred to as 'hard money.' The statute orginally applied broadly to any political fund-raising but in 1979, over the objections of the Department of Justice, Congress narrowed the scope of Section 607 to render it applicable only to F.E.C.A. contributions."

One former Justice Department

The New York Times
Saturday
November 29, 1997 Pg 1 of 2

official said, "I've never heard her say it, but I think everyone over there feels it hasn't worked the way they would have liked."

By law, Ms. Reno is the Administration official who decides whether to refer a case to an outside prosecutor and what the prosecutor's charter will be. But prosecutors are then selected by a three-judge panel that throughout the Clinton Administration has been headed by Judge David B. Sentelle of the United States Court of Appeals for the District of Columbia Circuit. Judge Sentelle is a conservative Republican from North Carolina who is widely viewed as a close ally to some of President Clinton's most vocal critics in Congress.

Mr. Smaltz has aggressively urged Ms. Reno to broaden his jurisdiction since his appointment in 1994 to investigate whether Mr. Espy illegally received gifts from several agricultural companies, including Tyson Foods, the giant Arkansas chicken producer. He tangled with her once over whether he could expand his charter to investigate Tyson to see whether it had given unlawful gratuities to other officials. Ms. Reno barred a broader inquiry.

But in another instance, Mr. Smaltz won approval from the three-judge panel, over the strong opposition of the Justice Department, to an expansion of his charter to prosecute a top aide to Mr. Espy.

Still, the independent prosecutor who is said by officials to most irritate the Justice Department is Donald M. Barrett, the Miami lawyer named to investigate whether former Housing Secretary Henry G. Cisneros lied in a background investigation about how much money he had paid to a former mistress.

"We thought this would be a quick analysis of whether his statements were material to his getting the appointment," a former senior Justice Department official said. "We thought maybe two months, if his statement didn't make any difference in his getting the job then there would be no case."

But Mr. Barrett, appointed in May 1995, shows no sign of when he will complete his investigation. Law-enforcement officials said he had fought with Ms. Reno about expanding his jurisdiction and has delved into matters far from the original accusations against Mr. Cisneros. At one point Mr. Barrett wanted to investigate how Ms. Reno and her aides decided to deny him an expansion of his charter, officials said.

With Mr. Starr, the Attorney General seems to have generally gotten along, although there have been occasional disagreements.

Ms. Reno has repeatedly expanded the jurisdiction of the Whitewater investigators, even after the three-judge court replaced her choice, Robert B. Fiske, Jr., with Mr. Starr. Indeed, when former Governor Tucker tried to challenge one of his indictments on the ground that Mr. Starr lacked the authority to bring the case, Mr. Starr successfully argued before a Federal appeals court that he had the authority because it had been conveyed to them by the Attorney General.

But one major public fissure between the Justice Department and the Whitewater counsel erupted earlier this year at the Supreme Court. The department unsuccessfully opposed the Whitewater counsel's efforts to obtain the notes of White House lawyers of discussions with Hillary Rodham Clinton about matters under investigation. The Whitewater prosecutors prevailed when the Supreme Court declined to intervene and the White House turned over the lawyers' notes.

The New York Times
Saturday
November 29, 1997
Pg 2 of 2

Mr. LANTOS. Parliamentary inquiry, Mr. Chairman.

Mr. BURTON. The gentleman will state his parliamentary inquiry.

Mr. LANTOS. Have you instructed all members of your staff that when they are given the privilege of the microphone, they are not to make motions?

Mr. BURTON. I have not to this point, but I will so do right now.

Mr. LANTOS. It is long overdue, Mr. Chairman.

Mr. BURTON. Well, thank you, Mr. Lantos, for bringing that to our attention.

You can't do that.

Mr. BENNETT. I promise you, Mr. Lantos, I will not let that happen again. I will promise you.

Welcome to the hearing, Mr. Smaltz.

Mr. SMALTZ. Thank you.

Mr. BENNETT. To the extent that you need to refer to any of those exhibits during your testimony here today, please feel free to do so.

In that regard I would ask, if we can, to have Smaltz exhibit 3, which I think is Exhibit 296, placed on the Elmo if we can.

[Exhibit 296 follows:]

Independent Counsel Donald C. Smaltz
In Re Secretary of Agriculture Espy
(Appointed September 9, 1994)

UPDATE OF PROSECUTORIAL MATTERS

As of December 8, 1997

I. STATUS OF PROSECUTIONS

Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
1. James H. Lake Information: 10/23/95 Guilty Plea: 10/25/95 Court: Hon. Judge Ricardo M. Urbina-Washington, D.C.	Guilty of one count of wire fraud relating to $5,000 illegal campaign contribution scheme and two counts of Federal Election Campaign Act ("FECA") violations resulting from $4,000 in illegal campaign contributions to Henry Espy for Congress.	Sentencing: 1/16/98
2. 5M Farming Enterprises, Inc., Brook K. Mitchell, Sr., and Brook K. Mitchell, Jr. Indictment: 5/22/96 Guilty Plea Mitchell, Sr. and 5M Farming: 11/13/96 Court: Hon. Judge Thomas Penfield Jackson-Washington, D.C.	Guilty of one count of conspiracy to illegally obtain $770,000 in USDA subsidy payments; two counts of false statements to USDA and one count of false entries on USDA forms to illegally obtain the subsidy payments.	5M Farming Enterprises, Inc., Brook K. Mitchell, Sr. Sentencing: Not yet scheduled Brook K. Mitchell, Jr.: 1-yr. pretrial diversion
3. Crop Growers Corporation Indictment: 5/30/96 *Nolo contendere* plea: 1/21/97 Court: Hon. Judge Gladys Kessler-Washington, D.C.	Guilty of one count of conspiracy to defraud Federal Election Commission ("FEC") resulting from $46,000 in illegal campaign contributions to Henry Espy for Congress and one count violation of Foreign Corrupt Practices Act resulting from falsification of corporate books and records to conceal the illegal campaign contributions.	Sentence: $2,000,000 fine
4. John J. Hemmingson and Gary A. Black Indictment: 5/30/96 Trial: 1/27/97 Verdict: 2/13/97 Court: Hon. Judge Gladys Kessler-Washington, D.C.	Not guilty of one count of conspiracy to defraud FEC resulting from $46,000 in illegal campaign contributions to Henry Espy for Congress and two counts of false statements to FEC to conceal the illegal campaign contributions.	



Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
5. Sun-Diamond Growers of California Indictment: 6/13/96 Trial: 9/9/96 Verdict: 9/24/96 Court: Hon. Judge Ricardo M. Urbina-Washington, D.C.	Guilty of one count of providing illegal gratuities worth $14,287 to Secretary Espy and others, two counts of committing mail fraud resulting from $5,000 illegal campaign contribution scheme and five counts of making illegal campaign contributions to Henry Espy for Congress worth $4,000. Not guilty of one count of providing illegal gratuity worth $3,100 to Secretary Espy's girlfriend;	Sentence: $1.5 Million fine; 5 yrs. probation w/special conditions -Def. appealing conviction -Appeal not yet under submission to D.C. Circuit Court of Appeals
6. Alvarez Ferrouillet Indictment: 7/9/96 Trial: 12/2/96 Verdict: 12/19/96 Court: Hon. Judge Edith Brown Clement-New Orleans, LA.	Guilty of one count of interstate transportation of stolen property resulting from $20,000 illegal campaign contribution to Henry Espy for Congress, seven counts of money laundering of the $20,000 illegal campaign contribution, and two counts of false statements to government agents to conceal source of the $20,000 illegal campaign contributions.	Sentence: One year imprisonment$10,000 fine -Def. appealing conviction -OIC appealing sentence -Appeal not yet under submission to Fifth Circuit Court of Appeals
7. John Hemmingson Indictment: 7/9/96 Trial: 12/2/96 Verdict: 12/19/96 Court: Hon. Judge Edith Brown Clement-New Orleans, LA.	Guilty of one count of interstate transportation of stolen property resulting from $20,000 illegal campaign contribution to Henry Espy for Congress and two counts of money laundering of the $20,000 illegal campaign contribution. Not guilty of one count of money laundering of the $20,000 illegal campaign contribution.	Sentence: One year imprisonment; $30,000 fine; $20,000 restitution -Def. appealing conviction -OIC appealing sentence -Appeal not yet under submission to Fifth Circuit Court of Appeals
8. Alvarez Ferrouillet, Municipal Healthcare Cooperative, Inc and Ferrouillet & Ferrouillet Indictment: 7/9/96 Transferred: 11/6/96 Guilty Plea: 2/24/97 Court: Hon. Judge L.T. Senter, Jr.-Oxford, MS	Guilty of one count of conspiracy to make false statements to federally insured bank to induce and extend repayment deadline on $75,000 loan and to make false statements to FEC to conceal $46,000 in illegal campaign contributions to Henry Espy for Congress and five counts of false statements to a federally insured bank.	Ferrouillet sentencing consolidated with no. 6 above; Municipal Healthcare Sentence: 5-year term of inactive probation , and Ferrouillet & Ferrouillet Sentence: $10,000 fine

EXHIBIT
296-1

2

Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
9. Henry Espy Indictment: 7/9/96 Transferred: 11/6/96 Trial: 2/24/97 Judgment: 3/4/97 Court: Hon. Judge L.T. Senter, Jr.-Oxford, MS.	Not guilty of one count of conspiracy to make false statements to federally insured bank to induce and extend repayment deadline on $75,000 loan and to make false statements to FEC to conceal $46,000 in illegal campaign contributions to Henry Espy for Congress and not guilty of five counts of false statements to a federally insured bank.	
10. Jack L. Williams — Indictment: 9/17/96 Trial: 3/17/97 Verdict: 3/21/97 Defense Motion For New Trial Granted: 6/4/97 Court: Hon. Judge James Robertson-Washington, D.C.	Guilty of two counts of false statements to government agents concealing knowledge of (1) gratuities worth $1,119 given to Secretary Espy and others, (2) scholarship to Secretary Espy's girlfriend and (3) nature of his relationship with Secretary Espy and girlfriend.	
11. Richard Douglas Indictment: 10/16/96 Trial: 10/28/97 Verdict: 11/24/97 Court: Hon. Judge Thelton E. Henderson-San Francisco, CA	Guilty of one count of providing gratuities worth $7,600 to Secretary Espy and others. Hung jury on one count of providing gratuity worth $3,100 to Secretary Espy's girlfriend. Not guilty of one count mail fraud violations relating to $5,000 illegal campaign contribution scheme and five counts of FECA violations resulting from $4,000 in illegal campaign contributions.	Sentencing: To be scheduled
12. Norris J. Faust, Jr. Indictment: 11/19/96 Trial: 2/12/97 Verdict: 2/14/97 Court: Hon. Judge William H. Barbour, Jr.-Jackson, MS	Not guilty of three counts of perjury before a Federal Grand Jury concealing the circumstances surrounding the change in a Mississippi state USDA regulation in 1993.	
13. Ronald H. Blackley Indictment: 4/22/97 Trial: 11/17/97 Verdict: 12/1/97 Court: Hon. Judge Royce C. Lamberth-Washington, D.C.	Guilty of three counts of false statements to government agencies to conceal receipt of $22,025 from prohibited sources while serving as Secretary Espy's Chief of Staff.	Sentencing: 2/12/98

EXHIBIT
296--2

3

Indictments, Information(s) and Complaint(s)	Verdict/Charges	Sentencing/Appeal
14. Smith Barney, Inc. Complaint: 7/29/97 Settlement Agreement: 7/29/97 Court: Hon. Judge Thomas A. Flannery-Washington, D.C.	Liable for procuring a breach of a fiduciary duty and interference with Secretary Espy's agency relationship with the USDA and the Executive Branch and unlawfully supplementing the salary of a federal government official with gift of $2,200 ticket to Super Bowl to Secretary Espy.	Fine: $1.050.000

II. STATUS OF CASES AWAITING TRIAL

Indictments	Charges
15. Richard Douglas Indictment: 10/16/96 Trial: To Be Scheduled Court: Hon. Judge Thelton E. Henderson-San Francisco. CA	Charged with nine counts of wire fraud resulting from false statements on $416.000 mortgage application.
16. Alphonso Michael Espy Indictment: 8/27/97 Trial: To Be Scheduled Court: Hon. Judge Ricardo M. Urbina-Washington. D.C.	Charged with twelve counts of deprivation of honest services by mail and wire fraud, thirteen counts of accepting gratuities worth $25.458, three counts of accepting gifts in violation of Meat Inspection Act worth $4.221, five counts of traveling in interstate commerce to violate Meat Inspection Act and federal gratuity statute, one count of false statements to USDA regarding travel involving gifts received from prohibited sources, one count of directing a subordinate to falsify travel itinerary in response to request from USDA investigators, one count of false statements to government agents concealing source of gifts, two counts of false statements resulting from failure to disclose $12,752 in gifts on financial disclosure form, and one count of false statements to the Office of the President concealing gifts received.
17. Jack L. Williams Superseding Indictment: 9/30/97 Trial: 2/2/98 Court: Hon. Judge James Robertson-Washington, D.C.	Charged with two counts of violating Meat Inspection Act by providing $1.216 in gifts to Secretary Espy and others and two counts of false statements to government agents concealing his knowledge (1) of gifts worth $1,119 for Secretary Espy and others, (2) scholarship to Secretary Espy's girlfriend, and (3) nature of his relationship with Secretary Espy and girlfriend.



III. STATUS OF APPELLATE CASE AWAITING DECISION

Indictment	Charges	Status of Appeal
18. Richard Douglas Indictment: 10/16/96 Charges Dismissed by Court: 4/2/97 Court: Hon. Judge Thelton E. Henderson-San Francisco, CA	Two counts of false statements to federal agents concealing nature of relationship with Secretary Espy and source of tickets for Secretary Espy to attend NBA Championship Game.	Under submission to Ninth Circuit Court of Appeals



Mr. BURTON. If the gentleman will suspend. We'd like to have copies of this. It cannot be read very easily. And I'd like for Mr. Lantos, the acting ranking minority member on this committee at this time—let's suspend while we get this information.

Mr. SMALTZ. If it please the Chair, we have extra copies here if you need any.

Mr. BENNETT. To my knowledge, we have copies to distribute. But if we could perhaps—they are being distributed, I believe.

Mr. BURTON. Proceed.

Mr. BENNETT. Referring to exhibit 296, this is a status review of the various prosecutions which your Office of Independent Counsel has conducted, as well as any pending cases; is that correct, Mr. Smaltz?

Mr. SMALTZ. Yes, that's correct, sir.

Mr. BENNETT. What are the total number of indictments and/or convictions which have been brought by your office over the past few years?

Mr. SMALTZ. We have indicted and convicted seven individuals, four corporations, one law firm, and brought a civil proceeding with a penalty and a fine against one major broker dealer.

Mr. BENNETT. And with respect to fines which have been assessed in connection with your successful prosecutions payable to the U.S. Government, what has been the total amount of the fines which you have won in those convictions?

Mr. SMALTZ. In excess of $4.5 million.

Mr. BENNETT. Now, with respect to the matter of the recent successful prosecution of Ron Blackley, which you addressed earlier in your statement, and you certainly can make reference now to other portions of your statement you have not yet had an opportunity to refer to, what was the reason for your reference in the opening statement? I believe you had previously alluded to the fact that you're not sure if there was a principal basis on the part of the Justice Department in opposing your implementation of the independent counsel statute. Could you expound on that for us, please?

Mr. SMALTZ. Sure. In 1987, Congress amended the independent counsel statute, and one of the things—one of the things that it did is it provided that—it made clear that whenever there's an issue of a referral of a related matter, as opposed to expansion of jurisdiction, that the Special Division or the Attorney General, on request of independent counsel, can grant that application. And that was passed in 1987 over the objection of the Department of Justice, which had proposed that it control, it be the gatekeeper, for any either expansion of jurisdiction or referral of a related matter.

Mr. BENNETT. In fact, that was the Reagan Justice Department that took that position at that time; is that correct?

Mr. SMALTZ. I believe so.

Mr. BENNETT. And in a nutshell, then, that statute and implementation is such that it not only needs a referral from the Department of Justice, there can be referral or approval directly from the three-judge panel, correct?

Mr. SMALTZ. That's correct. And that's found, sir, in section 594(e), that is the referral of a related matter, and should be contrasted with the expansion of jurisdiction which is found in a different section.

Mr. BENNETT. Now, with respect to the matter of Blackley and the Justice Department's opposition to your seeking an indictment in that case, with whom were you dealing with at the Department of Justice when you were experiencing these problems initially in trying to get departmental approval for the prosecution?

Mr. SMALTZ. Well, the person we dealt with, we deal primarily with Public Integrity, and then the chain of command goes up from there.

Mr. BENNETT. And who was the head of the Public Integrity Section at that time?

Mr. SMALTZ. It is the same person that's head now. It's Lee Radek.

Mr. BENNETT. Had you had any prior professional dealings with Mr. Radek prior to these problems?

Mr. SMALTZ. Yes, uh-huh. We had a series of ongoing discussions, I think as all independent counsel do, with Public Integrity.

Mr. BENNETT. Were there any other individuals you dealt with at the Department of Justice apart from Mr. Radek?

Mr. SMALTZ. On this matter?

Mr. BENNETT. Yes.

Mr. SMALTZ. I dealt briefly with Jack Keeney, who is the Acting Assistant Attorney General in charge of the Criminal Division.

Mr. BENNETT. And just for the record to clarify, that is Mr. Keeney, Sr., not Mr. Keeney, Jr., who's on record as representing John Huang, correct?

Mr. SMALTZ. I dealt with Mr. Jack Keeney, Sr. He's been with the Justice Department for a long time.

Mr. BENNETT. Just to make sure there is no confusion on that.

Approximately how much time and at what cost was this delay which took place as a result of the arguing with the Department of Justice over the process?

Mr. SMALTZ. We figured that we were delayed about 8 months in connection with these two prosecutions. But we never attempted to quantify the cost of that delay because it just is very, very difficult.

Mr. BENNETT. And this dispute ultimately wound its way into the courts in terms of a ruling by the courts on the applicability of the statute; is that correct?

Mr. SMALTZ. It did. We filed our application with the Special Division in January 1996, and the matter was decided in April 1996, and we brought the first indictment in May 1996. That was the indictment against Five M Farming.

Mr. BENNETT. So is it safe to say, then, that the Department of Justice fought with you on this matter from January 1996 until April 1996 through the court process?

Mr. SMALTZ. Yes. Our dialog with them began I want to say in October 1995. So we had discussions October, November, December 1995. In January, we decided we weren't getting anywhere, so we filed the application with the Special Division.

Mr. BURTON. Let me just ask you. When you were having these discussions and running into these impediments with the Justice Department, did you have a sense of why this was taking place? Was it strictly because of a jurisdictional thing where they wanted

to keep control, or was it because there were some possible political pressure?

Mr. SMALTZ. I never got the sense in connection with Blackley that it was so much an issue of political pressure, sir. My sense was that it was a question of controlling the independent counsel, because, as I understood it, no independent counsel, I was told, had ever gone directly to the Special Division over the objection or over the—and bypassed the Attorney General.

I don't think that's correct. I later found out that at least on one other matter the independent counsel went directly to the Special Division and got a referral of a related matter.

Mr. BURTON. So it is your sense that they wanted to just keep control of everything?

Thank you.

Mr. BENNETT. Picking up if I can.

Mr. SMALTZ. Excuse me. If I might, I misspoke. If I said we filed the application in January 1995, that was incorrect. We actually filed the application in January 1996.

Mr. BENNETT. Picking up on the chairman's question with respect to going around the Department of Justice and seeking approval of the three-judge panel. In fact, there was a case in which the Department of Justice had agreed on an interpretation by independent counsel as to a prosecution, and that involved, I believe, Mr. Tuck—Jim Guy Tucker; is that correct?

Mr. SMALTZ. It did.

Mr. BENNETT. Former Governor of Arkansas?

Mr. SMALTZ. Yes.

Mr. BENNETT. And as to that matter and decided opinion, had the Department of Justice approved that prosecution?

Mr. SMALTZ. The Department of Justice, yes, it had. It had also referred as a related matter to the independent counsel Mr. Starr. And then Mr. Starr had sought also the approval of the Special Division to exercise that jurisdiction.

Mr. BENNETT. Were you ever able to get to the distinction between Kenneth Starr's investigation and the approval by the Department of Justice as to the prosecution of Mr. Tucker and the distinction that would be drawn between that and the prosecution of Mr. Blackley, who was the chief of staff for Secretary of Agriculture Espy? Do you see any distinction in those cases?

Mr. SMALTZ. No. We never did see the distinction. And it was a matter that was argued in the papers filed with the Special Division. And you can see what it was we wrote and what the Department of Justice wrote in exhibits 4(a) and 4(b), 4(a) being the opposition of the Department of Justice to our application for referral, 4(b) being our reply to that.

Mr. BENNETT. And the Tucker case in those legal materials in terms of the distinction that the Department of Justice was seeking to draw, that was ultimately rejected by the courts, correct?

Mr. SMALTZ. Yes, it is. There is some discussion. One of the things that we did, when the district judge in Arkansas dismissed the prosecution that was brought by Mr. Starr against Jim Guy Tucker and others, he did so on the basis that Jim Guy Tucker was not named in the referral order—in the jurisdictional order, pardon me. And when the case went up, the Department of Justice filed

an amicus brief, and they listed eight factors which they said were relevant whether or not the Attorney General would exercise her jurisdiction to declare that the matter was related.

When we filed our application with the Special Division, we noted these eight factors. When DOJ filed its opposition, they attempted to repudiate those eight factors.

Mr. BENNETT. The Department of Justice did?

Mr. SMALTZ. Yes. And the matter that we were arguing, while it was somewhat arcane and a lot of legal words involved, the entire matter is laid out in exhibit 4(b).

Mr. BENNETT. And, essentially, the Department of Justice found itself taking the exact opposite position in the matter of Blackley that it had taken with respect to Mr. Tucker?

Mr. SMALTZ. We thought it did. In our judgment, in light of the clear language of the statute, which clearly grants the Special Division the power to refer a related matter, in light of that and the arguments in opposition to our application that were made by DOJ, we thought it was outrageous that they filed that kind of paper.

Mr. BENNETT. Mr. Chairman.

Mr. BURTON. Did you talk to Lee Radek about this?

Mr. SMALTZ. We did, yes. We had informal discussions, I would say, from sometime late October up through——

Mr. BURTON. Did you ask him about the inconsistencies between the Tucker case and this one?

Mr. SMALTZ. I'm not sure we discussed all of that. I cannot recall.

Mr. BURTON. I mean, but if he was opposing your being able to prosecute this individual for the very reasons that the court decided that Tucker could be prosecuted under the independent counsel statute, did he have any explanation for his opposition or did anybody try to explain that to you other than just oppose it?

Mr. SMALTZ. Well, generally what came out of my discussions with the Department of Justice was their explanations and their contentions that the matters didn't seem to be factually related sufficiently, No. 1; and No. 2, that the independent counsel statute, to the extent it granted the Special Division the power to refer a related matter without the approval of the Department of Justice, would be an unconstitutional infringement on the executive office.

Mr. BURTON. Did you get the impression from Mr. Radek that he just generally opposed what you were trying to do in its entirety or just this one aspect?

Mr. SMALTZ. I'm not sure, sir. The discussions occurred; they went on in good faith, I thought. The Tucker decision didn't actually come down until March 1996, while the matter was pending before the Special Division, although we had received a copy the Department's amicus brief in Tucker. So we knew what factors the Justice Department was citing to the Eighth Circuit as defining when a matter is related or not. So I can't answer the question any better than that, sir.

Mr. BENNETT. Attorney General Reno, yesterday, I think, essentially said that she had just heard about your concerns within the last few days since the Blackley conviction. I believe that was the nature of her testimony yesterday.

Have you had any discussions with the Attorney General about these concerns and the opposition during the Blackley approval?

Mr. SMALTZ. No, I have not.

Mr. BENNETT. Do you have any knowledge as to who at the Department of Justice would have been speaking with her about the concerns you voiced, and particularly those you expressed that were quoted widely in the papers within the last week to 10 days?

Mr. SMALTZ. Is your question, sir, do I have any idea who it was that was making the statements that appeared in the New York Times?

Mr. BENNETT. I'm going to lead to that, I guess, because, clearly, in response to your comments and your frustrations dealing with the Justice Department as an independent counsel, there have been some fairly harsh words which have been attributed to unnamed officials at the Department of Justice. I think some were quoted in the New York Times.

Have you talked with anyone there about those kind of comments coming from the Department of Justice?

Mr. SMALTZ. I've not spoken with them, no.

Mr. BENNETT. I think you addressed those matters in your opening statement in terms of some of those actually coming during the pendency of yet another matter being prosecuted by your office; is that correct?

Mr. SMALTZ. That's correct. Some of these remarks—first of all, the Blackley case was still open, and I can't recall if it had gone to the jury and was in the hands of the jury when the New York Times articles were published.

Mr. BENNETT. I believe they are included in your exhibits; are they not?

Mr. SMALTZ. They are. And then the New Yorker Magazine article came out. It is dated December 1, but it came out a week before that. And we had a case out in San Francisco that was before the jury. That was *United States* v. *Douglas,* who was a Sun Diamond lobbyist who had given Espy about $6,000 worth of gratuities. And the jury was out, I think, when that statement—when that publication came out. So it was cause for concern.

What is the jury supposed to think when the Attorney General and her senior representatives are out calling the independent counsel a bunch of off-the-wall zealots who don't know what they are doing and who are seeking to overexpand their jurisdiction, and then turning around and making the link that that's the reason a decision can't be made now with regard to independent counsel matters? I mean, I think that can have a very significant effect on a jury, even a judge.

Mr. BENNETT. Needless to say, you felt that you were undermined in your efforts as a result of this cross blitz of these comments to the press by unnamed officials at the Department of Justice?

Mr. SMALTZ. I certainly thought we were undermined. I thought it was terribly unfair. And most importantly, it was untrue.

Mr. BENNETT. Do you have any knowledge as to whether or not the Attorney General is looking into the matters of these leaks at the Department of Justice attacking you?

Mr. SMALTZ. I don't know.

Mr. BENNETT. That would probably lie within the province of the Office of Professional Responsibility, wouldn't it?

Mr. SMALTZ. I would expect so, yes.

Mr. BENNETT. With respect to the nature of the original referral that triggered the Espy independent counsel statute as it applies to former Secretary of Agriculture Espy, do you have any knowledge as to the original nature of the referral from the Inspector General of the Department of Agriculture as to how it relates to your charge as independent counsel?

Mr. SMALTZ. Do you mean Blackley, or do you mean Espy?

Mr. BENNETT. Espy initially. And then in terms of the expansion, Blackley, to include Blackley.

Mr. SMALTZ. Well, what happened was the jurisdiction that I was given in the Espy matter was very, very broad, and that jurisdiction was proposed initially by the Department of Justice to the Special Division.

You see, under the statute, the independent counsel statute, after the Attorney General files an application with the Special Division asking that an independent counsel be appointed to investigate the matter further, it is up to the Special Division to define the scope of the jurisdiction that's granted to that particular independent counsel.

Now with regard to my case, the Attorney General proposed a grant of jurisdiction that was attached to the application submitted to the Special Division. That's part of the exhibits. It is a part of exhibit 1. The Special Division accepted that jurisdiction and adopted it and only added one paragraph. So the scope of my original jurisdiction was actually recommended by the Justice Department and accepted by the Special Division.

Mr. BENNETT. Then, essentially, Mr. Smaltz, in your view, is there any distinction between the nature of the charge for which Mr. Blackley was ultimately convicted and the initial referral?

Mr. SMALTZ. The Blackley matter?

Mr. BENNETT. Yes.

Mr. SMALTZ. You mean to the Attorney General?

Mr. BENNETT. Yes.

Mr. SMALTZ. OK.

Mr. BENNETT. The reason I ask that is apparently there was some comment late yesterday by someone at the Department of Justice trying to respond to your anticipated testimony, trying to say that the conviction is somehow distinguishable from the original referral. I'm giving you an opportunity to respond to that.

Mr. SMALTZ. I don't think it's distinguishable from the original referral, and let me tell you why. I should tell that you we have two courts now that—well, at least one court, the Special Division. Here's what they said. They said as follows. They said,

IC Smaltz's original prosecutorial jurisdiction covers the receipt of gifts by Secretary Espy from individuals or companies having business before the Department of Agriculture. Obviously the concern motivating such an investigation is that a Cabinet Secretary may have been improperly influenced to favor or intervene in the gift-giver's causes pending before his or her Department.

This is the Special Division.

The original jurisdiction also included the authority,

To investigate other allegations or evidence of criminal violations by any organization or individual developed during the independent counsel's investigation, related to and connected with or arising out of that jurisdiction.

And they say,

IC Smaltz has described the factual and procedural basis concerning his original jurisdiction and the referral he seeks and supported his arguments with the affidavit of the agents who uncovered the new matters during their investigation. We conclude that Smaltz has shown that the new matter is demonstrably related to the factual circumstances that gave rise to the Attorney General's initial investigation and request for the appointment of an independent counsel.

Mr. BENNETT. So, essentially, the court in its opinion has already responded perhaps to the response that the Department of Justice is placing on this matter as of yesterday?

Mr. SMALTZ. It has. The answer is a rhetoric response, and the rejoinder to the things that have been said are contained in the Special Division's opinion and In re Espy.

Mr. BENNETT. Mr. Chairman?

Mr. BURTON. I think that a lot of the legalese that's being discussed here is being lost upon people who do not have the legal background that you gentlemen have.

I would like to ask a very direct question. Do you believe the leaks from the Department of Justice are impeding the prosecution of justice?

You have cases that are now pending; is that correct?

Mr. SMALTZ. I do. We have three cases awaiting trial.

Mr. BURTON. Now, these leaks that are coming out about you and the way you are handling these cases that you said you think might have an impact on the judges and on the juries——

Mr. SMALTZ. I said I think it certainly could have an impact on the juries and maybe even the judge.

Mr. BURTON. So the Justice Department, in your opinion, and I don't want to put words in your mouth, but the Justice Department, in your opinion, is deliberately—some people over there are deliberately trying to impede your ability to prosecute justice in a fair and efficient way?

Mr. SMALTZ. That's the effect.

Mr. BURTON. That is the effect. I do not want to put words in your mouth, but I think it is very important, especially when we're talking about an independent counsel being necessary in other areas.

Mr. SMALTZ. Well, may I respond to that?

Mr. BURTON. Yes, I wish you would.

Mr. SMALTZ. Here is my concern. Independent counsels are an endangered species, perhaps. I mean, they are publicly attacked for a whole variety of reasons.

When the chief law enforcement officer and her officials——

Mr. BURTON. The Attorney General.

Mr. SMALTZ [continuing]. Takes or makes statements that suggest that the independent counsels and their staffs are not acting in good faith and that they are a bunch of zealots and only interested in expanding their jurisdiction, and that then turns and is used as a basis for her decision not to appoint an independent counsel in current matters, that effectively undermines all the independent counsels who are out there prosecuting cases.

Not only that, it also has an effect on the Department of Justice generally, because at the Independent Counsel Offices, we utilize the same investigators. They are detailed from the FBI, from the

Inspector General's Office. They are Department of Justice people. We use Department of Justice attorneys.

Mr. BURTON. I understand.

Let me also say one thing, and I think this needs to be clear. It also undermines the intent of the independent counsel statute as passed by Congress, and that's something that I think should be made very clear to my colleagues, because if this is going to lead to no more independent counsels being appointed or their minimizing that, especially in cases like the one that we've been talking about the last couple of days, then it sounds to me like this is undermining the intent of the statute.

Mr. Bennett.

Mr. BENNETT. Just picking up on the chairman's point. Mr. Smaltz, there was a similar problem you had with the Department of Justice, was there not, that was reported, I think, in the Legal Times of Washington about 2 years ago and has been addressed by the Wall Street Journal, and that is your efforts with respect to Tyson Foods; is that correct?

Mr. SMALTZ. There have been ongoing dialogs between Justice and me concerning Tyson Foods. Certainly that was true back in 1995.

Mr. BENNETT. And indeed, to show the bipartisan flavor of this perhaps for Mr. Lantos, indeed the opposition there apparently came from not only the Clinton administration, but also a Republican Member of Congress in terms of your efforts as independent counsel in that regard; isn't that correct?

The Wall Street Journal reported that you were called on the carpet by someone at Justice. Have you seen the references to your being called on the carpet by the Department of Justice?

Mr. SMALTZ. I'm familiar generally that those statements were made.

Mr. BENNETT. And were you called on the carpet by the Department of Justice in terms of your efforts to perform your duties as independent counsel?

Mr. SMALTZ. Well, I don't like to think that I'm the kind of personality that can be called on anybody's carpet and made to account, but I did engage in a dialog. The answer is yes, and was I unhappy. The answer is yes.

Mr. BENNETT. And what was the result of the dialog that caused your unhappiness?

Mr. SMALTZ. Well, we changed direction somewhat.

Mr. BENNETT. And did not proceed as you had perhaps desired; is that correct?

Mr. SMALTZ. Well, we weren't going in the direction I thought it was appropriate to go. But let me say this: Two minds can differ over such things. And, so, we just changed direction.

Mr. BENNETT. Did you have occasion to see the testimony of the Attorney General yesterday?

Mr. SMALTZ. I did not. I heard portions of it, but very few.

Mr. BENNETT. And how would you define, sir, your present relationship with the Department of Justice, specifically with the Attorney General, as you continue to proceed with your duties?

Mr. SMALTZ. I've only met the Attorney General twice. The first time is shortly after I was sworn in, I made a courtesy call just to

say hello to her; and the second time was when we were at a meeting in 1995. I haven't seen her since then. And, so, I don't even have a relationship with the Attorney General.

There are times that I deal with the Department of Public Integrity from time to time, and sometimes things go smoothly. Sometimes they don't always agree with us. So it is an ongoing matter of discussion.

Mr. BENNETT. And have you discussed—just a followup as I wind up here, Mr. Chairman—have you discussed with Mr. Lee Radek the recent public discourse in the newspapers over the last 2 weeks, not only your comments, but the comments by unnamed Department of Justice officials criticizing you?

Mr. SMALTZ. I have not.

Mr. BURTON. If I asked this earlier, I apologize. Have you discussed that with anybody in particular at the Department of Justice?

Mr. SMALTZ. No, sir, I have not.

Mr. BENNETT. Mr. Chairman, I yield back the balance of my time.

Mr. BURTON. The gentleman yields back the time.

I have a couple of questions. I just didn't want to interrupt you any further.

The Tyson Foods case, is there any way you could elaborate further on your discussions or negotiations on that? Because Tyson Foods has been tied very close to a number of significant people in Arkansas, including the President. So if you could elaborate a little bit on that, I'd appreciate it.

Mr. SMALTZ. Mr. Chairman, with all due respect, the Tyson matter is still part of our ongoing investigation, and I would respectfully decline to talk about that at this time.

Mr. BURTON. I understand.

Does anyone want the rest of this time?

Mr. Horn.

Mr. HORN. Thank you, Mr. Chairman.

No. 1, let me ask you, who can remove you as special independent counsel?

Mr. SMALTZ. The Attorney General can fire me, and the Special Division can terminate my investigation.

Mr. HORN. Just to get the definition of Special Division, it's the group, when the formal filings of the courts, it is an application to the court for—an Independent Counsel Division is the same as the Special Division, part of article 3, separation of powers, judiciary, when they are making these decisions. You've got three judges at the appellate court level?

Mr. SMALTZ. Yes, sir, three judges who are all circuit court judges, and they are referred to as the Special Division, and they pass on the applications of the Attorney General.

Mr. HORN. Now given the situation of your feelings toward the turf problems within the Department of Justice, why haven't you requested a meeting with the Attorney General to say, what's going on here? Or do you think the Attorney General is responsible for the turf? I think a lot of that is a corporate culture that exists in every organization, and the Department of Justice isn't an exception from it.

Mr. SMALTZ. My sense, sir, is that the Attorney General has her coterie of legal advisors that she looks to for advice and direction, particularly in connection with the independent counsel matters. And they know where I stand, and I know where they stand, and I don't think there would be any chance to successfully talk them in or out of a particular position.

Mr. HORN. Well, have you ever told the Attorney General face to face what the problem is?

Mr. SMALTZ. I did on one occasion.

Mr. BURTON. My time has expired.

Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman.

Mr. Burton started out this hearing, Mr. Smaltz, by saying you remind him of Jimmy Stewart. And I must say, after the initial dialog between Counsel Bennett and yourself, you remind me of the late and unlamented Secretary General of the United Nations, Kurt Waldheim, who also had a lapse in memory. He conveniently forgot several years when he was a Nazi, and this came out after he left office.

Mr. SMALTZ. I'm sorry, are you suggesting that I'm a Nazi?

Mr. LANTOS. No. Allow me to finish.

Mr. SMALTZ. Let me tell you, I take umbrage at being compared with anyone affiliated with the Nazi party, sir.

Mr. LANTOS. No. No. If you'll allow me to finish, you'll understand where I'm going.

When you were asked about your political affiliation, you had a delightful interplay with Mr. Bennett concerning your presidency of the college young Democrats, as I recall.

What college was that?

Mr. SMALTZ. That was Penn State University.

Mr. LANTOS. And what year are we talking about?

Mr. SMALTZ. 1957, 1958.

Mr. LANTOS. 1957 and 1958. I want to commend you for your good judgment in 1957 and 1958 for leading the young Democrats in Penn State.

But now we are in 1997, so we are 40 years beyond that, and I'm wondering if you would care to make some comments about your political affiliation, about your political contributions, in the intervening 40 years. That was my reference to Mr. Waldheim. It was not a political reference. It was a reference to your evading the statement of what your political affiliations are in the last 40 years.

When did you first register as a Republican?

Mr. SMALTZ. I would say 1967—when Lyndon Johnson was President and we had the problems with Vietnam. I think it was 1967.

Mr. LANTOS. So for about 30 years you have been a registered Republican?

Mr. SMALTZ. I have.

Mr. LANTOS. I'm sure you are very proud of it. And you ought to be. It is a great political party. But when you are asked about your political affiliation, how old are you now?

Mr. SMALTZ. How old am I? I'm 60.

Mr. LANTOS. You're 60. You really should not respond to what your political affiliation was as a 21-year-old college kid; you

should just state publicly what your political affiliation is. So let me move on.

Mr. SMALTZ. Well, let me respond.

Mr. LANTOS. I am the one who is asking the questions.

Mr. SMALTZ. I would like to respond.

Mr. COX. Mr. Chairman, could the witness be allowed to answer the question?

Mr. LANTOS. There was no question.

Mr. BURTON. The gentleman from California has the time, and, unfortunately, he can use it however he chooses.

Mr. LANTOS. I will appreciate the witness answering my questions when I ask questions. I do not wish to be interrupted by the witness.

So between 1967 and 1997, you have been a registered Republican; is that correct?

Mr. SMALTZ. I have.

Mr. LANTOS. How about your wife?

Mr. SMALTZ. What about her?

Mr. LANTOS. Is she a registered Republican?

Mr. SMALTZ. She is.

Mr. LANTOS. Very good.

Was she appointed as justice by the Republican Governor of California, my friend Pete Wilson?

Mr. SMALTZ. No.

Mr. LANTOS. By whom was she appointed?

Mr. SMALTZ. Governor George Deukmejian.

Mr. LANTOS. By the former Governor of California, Governor Deukmejian?

Mr. SMALTZ. Yes.

Mr. LANTOS. It would be helpful, for the sake of accuracy, if the witness responds in a chronologically meaningful manner to questions.

Now let me ask about political contributions. You made an observation, an offhand observation, Mr. Smaltz, at the beginning that you have occasionally made some contributions to various political candidates; is that correct?

Mr. SMALTZ. I have.

Mr. LANTOS. Very good. I commend you for it. I wish more Americans would participate in the political process.

Can you list for me Democratic candidates to whom you've made contributions?

Mr. SMALTZ. Well——

Mr. LANTOS. If you haven't, that's all right. I'm just asking.

Mr. SMALTZ. I have, as a matter of fact.

Mr. LANTOS. Good.

Mr. SMALTZ. I made political contributions to President Kennedy.

Mr. LANTOS. That was during your Democratic period?

Mr. SMALTZ. It was.

Mr. LANTOS. OK. And then?

Mr. SMALTZ. I'm not sure when the next political contributions I made were. I made some political contributions to Senator Wilson, Pete Wilson, when he was running for the Senate.

Mr. LANTOS. He's a Republican.

Mr. SMALTZ. He is. And I made some political contributions or a political contribution to a fellow who ran for the Senate, a Republican who lost; I want to say his name was Hers——

Mr. LANTOS. Hershenson.

Mr. SMALTZ. Thank you. Correct. And I made a variety of contributions to various judicial candidates. But they were not political.

Mr. LANTOS. Right. So Pete Wilson and Mr. Hershenson were the only political candidates?

Mr. SMALTZ. Well, other than——

Mr. LANTOS. Other than judicial candidates.

Mr. SMALTZ. And other than President Kennedy. I may have mailed other ones, sir; I don't recall.

Mr. LANTOS. But I think we now have a more accurate and chronologically more relevant description of your political affiliation, because obviously your most recent political affiliation was not that of being president of young Democrats at Penn State.

Mr. SMALTZ. Let me just tell you.

Mr. LANTOS. I have not asked a question, Mr. Smaltz. So allow me to continue, and when I ask questions, you answer them.

Mr. BURTON. Will the gentleman suspend for just a moment?

Mr. LANTOS. I'll be happy to.

Mr. BURTON. I just want to say to my colleague from California, it is your time and we are not going to interrupt you, but there have been a number of times when I and people on our side have asked hard questions and we did not allow the courtesy that you thought we should, and I heard a number of Members hollering at us saying, "Let them answer, let them answer." And we did.

Now, you have the time, and I'm not going to interrupt, but rather than badgering the witness, I think that if you can allow him the courtesy of an answer, I think you should.

Mr. LANTOS. Mr. Burton, I will not only allow him the courtesy to answer, I will expect him to answer questions.

What I did not appreciate was this interplay of joviality between Counsel Bennett and the witness discussing his political affiliation. Now, people who watched that interplay came away with two statements. I wish to repeat those two statements. No. 1, he was president of college young Democrats; and, No. 2, occasionally he made political contributions. That was the only information Mr. Smaltz, an attorney, gave in response to Mr. Bennett's question.

To my questions, he now revealed that for the last 30 years he was not president of young Democrats at Penn State, and his political contributions, with the exception of President Kennedy—which, I take it, was, you know, during the Presidential campaign, the Nixon-Kennedy campaign I presume—your contributions went to two Republican senatorial hopefuls.

That's perfectly legitimate. But you did not state that in response to Mr. Bennett's question.

Let me move on. I'm puzzled at this whole hearing, because clearly what we are dealing with is a turf fight between Mr. Smaltz, an independent counsel, and the Department of Justice. And I thought it would have been proper to have a representative of the Department of Justice present at this hearing, because I personally would like to hear from the Department of Justice concern-

ing their view of the turf fight. I understand we have the Attorney General here, but this was a very small segment of her testimony.

Let me begin by asking you, Mr. Smaltz, comments concerning some media views of your performance. Allow me to finish the quotes that I will read, and then I will give you all the time you need to answer them.

Time magazine, on June 16 of this year, said the following:

> What do you call someone who works in secret with a multi-million-dollar budget, pressures wives to testify against their husbands, compels State agencies to turn over the names of thousands of workers who might have a grudge against their employer, all in order to learn whether a Cabinet Member got some free football tickets? The answer: Independent Counsel Donald Smaltz, who has become a walking, talking argument for changing the way this Nation investigates its high public officials.

In the same article, Time magazine says:

> Smaltz has the distinction of making even the most neutral lawyers argue that Attorney General Janet Reno should think twice before triggering any more such appointments. After spending more than $9 million, Smaltz has compiled a record that shows the perils of prosecutorial passion.

End Time magazine.

Let me move to the Legal Times. Stewart Taylor of the Legal Times, who is a legal analyst deeply respected by both conservatives and liberals alike, has said—I'm quoting; this is from the Legal Times of May 22, 1997—"Smaltz has seized the opportunity to muckrake wildly through Arkansas while improperly blabbing—improperly blabbing—to the press about his interest in unsubstantiated allegations."

Now let me move on to the Press Enterprise of Riverside, CA, July 27, 1997. The Press Enterprise in Riverside is not exactly a bastion of liberalism. This is their quote: "Your probe is another indication of how unruly the independent counsel process has become since the 1978 Ethics in Government Act."

Chicago Tribune, August 29, 1997:

> The indictment of Espy 3 years after he left office raises questions about the failure of the independent counsel law to allow rational judgments about the relative value of investigation and prosecution. Smaltz has spent more time investigating Espy than Espy spent as Agriculture Secretary.

The Sacramento Bee, April 27, 1997: "Your investigations" they say—I quote——

> Now run longer than all of the Watergate investigations or the combined civil and criminal trials of O.J. Simpson. This investigation into former Agriculture Secretary Mike Espy, now in its 31st month, has touched innocent and guilty alike. Independent Counsel Donald Smaltz's work has also cost the taxpayers more than 8½ million.

More than 8½ million.

The Arkansas Democrat Gazette says, Smaltz has taken up residence in Fayetteville, barged into the U.S. Attorney's office space there, leased a fleet of cars and brought in six lawyers and eight FBI agents. He says he has outgrown the Espy investigation. Among other things, he is looking into hundreds of workers' compensation claims filed against Tyson. He's spattered grand jury subpoenas all over the State and national landscape.

I would be grateful if you would comment on these.

Mr. SMALTZ. Certainly. I am not sure I can recall all of the quotes——

Mr. LANTOS. I would be happy to refresh your memory.

Mr. SMALTZ [continuing]. That you have referred to, but let me tell you how it works, Congressman. I was appointed to investigate the Secretary of Agriculture who was accused of accepting gifts from businesses and entities he regulated. The Secretary of Agriculture is a very important position. He is a steward of the Nation's food supply. The purity of the food that is sold to the public is the responsibility of the Secretary of Agriculture. The loans that are given out to farmers and the subsidies is the responsibility of Agriculture. Whenever you have allegations that the Secretary is taking things of value from sources he regulates, that creates a significant problem.

Shortly after the Secretary took office in 1993, there was an outbreak of the E. Coli bacteria in the western United States. Shortly after I was appointed, there were allegations that there were chickens in Puerto Rico that somehow were sitting in the dock and that the Secretary intervened because Tyson Foods had a substantial interest in those chickens, and if they had been in any way tainted, they would have gone to the—they would have been sold to the residents and who knows what else could have occurred.

Mr. LANTOS. I do not mean to stop you. I just want to ask you to answer the question I asked. I asked about your comment concerning the quotations from the spectrum of media. I understand the case. I understand the Espy case. We stipulate the Espy case. It was a case that should have been investigated, was investigated. We all are pleased that it was investigated. We do not want to get into that case. I am asking you to comment on the media comments of your work.

Mr. SMALTZ. I am prepared to do that.

Mr. BURTON. If the gentleman would suspend for just one moment. Mr. Smaltz, if your answers are interrupted, I will guarantee you at the conclusion of Mr. Lantos' questioning, I will give you adequate time to respond.

Mr. SMALTZ. All right. May I continue, sir? All right.

When you have the sworn duty to conduct an investigation to determine the nature and extent of the things of value that are given, that is a solemn responsibility. And you investigate two things. You investigate the givers as well as the receiver. In this case there were a number of agribusinesses that gave Mr. Espy things of value, and it was not an easy thing to root out the information. The entities under investigation were quite resistant to producing the information, and it required a lot of time and effort. And it required an effort in Arkansas. It required an effort in Louisiana. It required an effort in Washington, DC, and it required an effort in San Francisco, CA because that is where the source of the corrupt acts occurred.

So to the extent that these media don't understand or do not appreciate what it is that we are investigating or understand the prosecutions that we are bringing, I submit that that is, that is their problem, not mine. We have proved that the Secretary of Agriculture, while he was a sitting Secretary, has gotten substantial gratuities from a variety of different businesses that were regulated by his Department.

Mr. LANTOS. Mr. Smaltz, what you are saying, I take it, and I am more than happy to let it go at that, that Time magazine, the Legal Times, the Press Enterprise of Riverside, the Chicago Tribune, the Sacramento Bee, the Arkansas paper, they were all just brainwashed and incomprehending of your work; that all of this criticism was unwarranted. I understand that.

Now, let me move on to the jurisdictional issue case.

Mr. SMALTZ. That is not quite what I have said. I am sorry you misunderstood me.

Mr. LANTOS. Well, please expand on it then.

Mr. SMALTZ. With regard to the Time magazine article, if you would like to see a copy of the letter that I sent to Time, since they omitted to state a substantial number of factual matters that they overlooked, I will be happy to provide a copy for you.

Mr. LANTOS. We will be happy to receive it. I appreciate that.

[The information referred to follows:]

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 706-0010
(FAX) 706-0076

June 19, 1997

Via Facsimile Transmission
to 212/522-0601 and U.S. Mail

Letters To The Editor
TIME Magazine
1271 Avenue of the Americas
New York, NY 10020

Dear Editor:

The first sentence of your June 16, 1997 story, *The Peril of Prosecutorial Passion,* states I was appointed to learn "whether a Cabinet member [former United States Department of Agriculture Secretary Mike Espy] got some free football tickets and a few other gifts." Following a slurry of misleading observations, your reporter asserts, as the primary point of her piece, that "so far he's turned up little in his costly probe." *TIME*'s unfounded conclusion of course fails to reference the criminal convictions of three corporations, five individuals and one law firm, and the imposition and collection of in excess of $3.5 million in criminal fines.

TIME's reporter is entitled to her opinions but not to her own set of facts. For example, she falsely reported that Kenneth Starr "had to tell Smaltz to back off in delving into issues involving Clinton." This never happened in any form, at any time, at any place. Moreover, *TIME*'s story is also inaccurate because it fails to report relevant facts, thereby conveying misleading impressions.

Contrary to *TIME's* assertion that this investigation is about "some free football tickets and a few other gifts," this investigation is in fact about big business and powerful individuals illegally buying and attempting to buy access to

a member of the President's Cabinet who regulates their industry. The 44 offenses involved in the convictions noted below, in substantial part, involved gifts to Secretary Espy or contributions given to Secretary Espy's brother because the givers wanted to influence decisions and/or obtain and maintain access to Secretary Espy:

1. *James Lake* - well-known Washington lobbyist, representing Sun-Diamond Growers in matters before the USDA

   • GUILTY of wire fraud and violations of the Federal Election Campaign Act in making $4,000 in illegal campaign contributions to Henry Espy for Congress.

2. *Five M Farming Enterprises & Brook K. Mitchell, Sr.* - friends of Secretary Espy

   • GUILTY of conspiracy, false statements and false entries involving a $700,000 USDA commodity price support program.

3. *Crop Growers Corporation* - major publicly-owned crop insurance company, regulated by and dependent on the USDA

   • GUILTY of conspiracy and concealing and disguising $46,000 in illegal corporate contributions to the Henry Espy for Congress campaign. The $2 million dollar fine, which has been paid, is the largest fine secured by any Independent Counsel to date.

4. *Sun-Diamond Growers of California* - large California agricultural cooperative regulated by the USDA

   • GUILTY of illegally giving more than $6,000 worth of gratuities to Secretary Espy and $4,000 in illegal campaign contributions to Secretary Espy's brother. Sun-Diamond was fined $1.5 million and is on five years' probation.

5. *Alvarez T. Ferrouillet, Jr.* - New Orleans lawyer and Chairman of the effort to retire Henry Espy's campaign debt

   • GUILTY of conspiring to defraud the Federal Election Commission, money laundering, illegal monetary transactions, defrauding a federal bank, lying to federal investigators, and participating in interstate transportation of stolen property. Fined $10,000 and sentenced to one year imprisonment.

6. *John Hemmingson* - Chairman of the Board and largest shareholder of Crop Growers Corporation, who used Henry Espy to obtain access to Secretary Espy

   • GUILTY of interstate transportation of $20,000 taken by fraud and laundering that money into the Henry Espy campaign debt retirement account. Fined $30,000, sentenced to one year imprisonment, and $20,000 restitution.

7. *Municipal Healthcare Cooperative, Inc.* - Louisiana corporation that participated in defrauding a Mississippi bank in connection with the Henry Espy $75,000 campaign debt retirement loan

   • GUILTY of one count of conspiracy and five counts of making false statements to a federal bank in connection with the $75,000 loan.

8. *Ferrouillet & Ferrouillet* - Louisiana law firm that guaranteed the illegal $75,000 Henry Espy campaign debt retirement loan

   • GUILTY of conspiracy to defraud a federal bank. Fined $10,000.

Letters To The Editor
TIME Magazine
June 19, 1997
Page 4

9. *Jack L. Williams* - Washington lobbyist for Tyson Foods, Inc.

• GUILTY of making false material statements to two Special Agents of the USDA Office of the Inspector General and to Special Agents of the Federal Bureau of Investigation to conceal his role in providing a $1,009 airline ticket and $1,200 scholarship for Secretary Espy's girlfriend, Patricia Dempsey. (The trial court judge granted and set a new trial for August 11, 1997. We expect the outcome of the second trial also to be a guilty verdict.)

Contrary to *TIME*'s reporter's suggestion, these prosecutions and convictions are hardly trivial:

• First, Sun-Diamond's conviction represents the first person or entity convicted in approximately 100 years for giving a gratuity to a sitting Cabinet member. Corporate misconduct in connection with payments and gratuities to Cabinet secretaries is a pernicious act that pervades not only the official, but also the agency, and the public trust.

• Second, the dispositions against Crop Growers and Sun-Diamond are fundamental to the concept of corporate accountability. Crop Growers' plea to a violation of the Foreign Corrupt Practices Act and the Court's imposition of special conditions of probation on Sun-Diamond to ensure corporate responsibility highlight the importance of maintaining integrity in the corporate board room.

• Third, this office is the first prosecuting agency to charge and convict individuals for money laundering in connection with illegal campaign contributions. Senator Arlen Specter recognized the significance of this approach when he recently described as a "clear-cut evidentiary pattern of illegal conduct of laundering money" the reimbursed contributions to a Democratic National Committee fundraiser at the Hsi Lai Buddhist Temple in April 1996.

Letters To The Editor
TIME Magazine
June 19, 1997
Page 5

There are, in addition, two other prosecutions pending -- one concerning Richard Douglas, former Vice President of Governmental Affairs for Sun-Diamond Growers for illegal gratuities to the Secretary, mail fraud, illegal campaign contributions and mortgage fraud, and another against Ronald Blackley, former Chief of Staff to Secretary Espy for false statements. The investigation of other criminal conduct is ongoing, and there may well be other indictments.

TIME's article also referenced comments from the lawyer of the indicted former Chief of Staff to Secretary Espy and a suggestion of inappropriate use of support staff. Legally, I am prohibited from commenting about grand jury matters and cannot now answer Blackley's lawyer's claims about what did or did not occur. I am, however, conversant with all the facts and the prosecutors in my office conducted themselves properly. With regard to your statement that a junior staff member was required to be in the place where I was living when an outside cleaning service came, you are absolutely right. I have and will continue to take appropriate measures to ensure the security of all locations where my office conducts business.

Upon application of the Attorney General of the United States, the Special Division of the United States Court of Appeals appointed me to determine whether Secretary Espy violated *any* federal criminal law "relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture;" and also to determine whether "any organization or individual . . . connected with or arising out of that investigation" violated any federal criminal laws. Federal law has long prohibited regulated persons and companies from buying access to public officials who regulate them. That is the essence of this investigation, not a few football tickets as your article proclaims.

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 706-0010
(FAX) 706-0076

June 19, 1997

FOR IMMEDIATE RELEASE

Independent Counsel Donald C. Smaltz responded today to a June 16, 1997 *Time* Magazine opinion piece that he described as containing "a slurry of misleading observations" and "inaccurate." In his Letter to the Editor, Mr. Smaltz criticized *Time*'s reporter for adopting her own set of erroneous facts to fit a pre-determined slant to her story. Mr. Smaltz wrote that "*Time*'s reporter is entitled to her opinions, but not to her own set of facts."

Mr. Smaltz's letter details and corrects the false and misleading statements in the article, including:

- *Starr has had to tell Smaltz to back off from delving into issues involving Clinton.* This never happened -- in any form, at any time, at any place.
- *So far, he's turned up little in his costly probe.* The article completely ignored and did not mention:

  (1) the imposition of more than $3.5 million in criminal fines, including a $2 million fine from Crop Growers Corporation, the

Letters To The Editor
TIME Magazine
June 19, 1997
Page 6

Notwithstanding *TIME*'s unfounded criticism and efforts to trivialize this investigation even before its conclusion, I will continue to perform the duties for which I was appointed fairly, vigorously and expeditiously.

Sincerely,

Donald C. Smaltz
Independent Counsel

Copy: Ms. Viveca Novak

h:\data\dcs\time3.618

largest fine secured by any Independent Counsel to date;

(2) convictions of three corporations and five individuals for 44 offenses involving gifts and gratuities to former Secretary of Agriculture Michael Espy and contributions to his brother Henry's failed Congressional campaign in an effort to influence decisions by and obtain access to Secretary Espy;

(3) the first conviction in approximately 100 years for giving a gratuity to a sitting cabinet member (Sun-Diamond);

(4) the first indictment and conviction by an Independent Counsel of a publicly-held company (Crop Growers); and

(5) the first prosecution to charge and convict individuals for money laundering in connection with illegal campaign contributions (Ferrouillet and Hemmingson).

In his letter, Mr. Smaltz reminded *Time* that the Special Division of the United States Court of Appeals defined his investigative mandate as whether Secretary of Agriculture Espy violated any federal criminal law "relating in any way to the acceptance of gifts by him from organizations or individuals with business pending before the Department of Agriculture." Describing the giving of illegal gratuities and gifts to Cabinet Secretaries as a "pernicious act that

pervades not only the official, but also the agency and the public trust," Mr. Smaltz reasserted his commitment to completing the investigation "fairly, vigorously and expeditiously."

The Letter to the Editor accompanies this press release.

###

Mr. SMALTZ. But—well, I don't want to say anything beyond that, thank you.

Mr. LANTOS. OK. Now, you say that the Department of Justice impeded your prosecution of Mr. Blackley. That, of course, is not the case. Yesterday one of our colleagues asked Attorney General Reno to explain why the Department of Justice preferred to litigate with you over the *Blackley* case, and she explained that the Department of Justice was concerned about the process by which the independent counsel takes on new matters and that the Department was concerned that the matter was not sufficiently related to your jurisdiction.

So what we are really dealing with here is a fairly common dispute between various legal entities, typically described as a turf fight. As a matter of fact, the written opinion of the court shows that the Department of Justice took the position before the court that Attorney General Reno described yesterday. Let me read to you what the court said the Department of Justice position was. I am now quoting from the court: "The proper course in Department of Justice's view is for Independent Counsel Smaltz to allow DOJ to investigate the new matters and determine whether to prosecute any Federal offenses it may discover."

So the Department of Justice took a position that they could do that job. It is obvious to everybody they would have done it at a far lower cost than you did and you preferred to do it yourself.

Now, let me move on to the notion of what other independent counsels say about the law, the independent counsel law.

Mr. SMALTZ. I am sorry; is there a question pending? Did you want me to respond to what you said from the Special Division?

Mr. LANTOS. No, there is no question pending.

Let me point out that some distinguished attorneys who have served as independent counsels do not share your views at all. Let me take Joseph diGenova, who, as you, is a staunch Republican and served as independent counsel in the inquiry into allegations that the Bush administration misused passport files during the 1992 Presidential campaign. Parenthetically, he is also Chairman Burton's personal attorney.

Mr. diGenova told the New York Times, and I quote, "I do not believe for one moment that Reno or anybody in the Department is motivated to protect the President. They are in this to show that the career people can do it and she backs them." New York Times, July 6, 1997.

Mr. diGenova is also a very harsh critic of the independent counsel statute as it is currently written. This is what he said in the Christian Science Monitor on March 5, 1996. I quote. "This is a bad law and it needs to be changed." In the New York Times July 6, 1997: "Too much unreviewable power is in the hands of a prosecutor. That is a dangerous thing. It is a dangerous thing."

In USA Today, November 14, 1997: Mr. diGenova, because of the way the independent counsel statute works, thinks a U.S. Attorney would never investigate—get investigated under the statute because the independent counsel has one and one case only. And then Mr. diGenova goes on to say, this is a structural problem with the statute.

On National Public Radio on November 30, he says that in his view the statute should be used only with regard to the President and his family, the Vice President and his family and the Attorney General and his or her family. It seems to me that if one looks at the cost of independent counsel investigations, the figures become absolutely mind-boggling.

Your investigation is one of those investigations that fuel a great deal of public concern. Mr. Kenneth Starr's investigation so far has cost about $30 million. Mr. Barrett's investigation has cost almost $4 million, attempting to find out whether Mr. Cisneros made a false statement.

It seems to me we need to find some way to take a more realistic view of the value of independent counsel operations. As one looks across the board, these operations are clearly the least cost-effective and most inefficient operations of the U.S. Government.

I will give you an example. I would like you to comment on it when I am finished. The most recent figures I have, March 1996 to March 1997, independent counsel investigations cost $21 million. Now, in a similar period, fiscal 1996, the six active independent counsels, including you, brought a total of 13 indictments. During the same period, the U.S. Attorney's Office for Massachusetts, covering the entire State, filed over 1,050 cases and spent only $17 million. So in bringing 1,050 cases, the U.S. Attorney brings 1,050 cases.

One might argue your cases may be more complex, but clearly the present formula that you can stay in office, apparently indefinitely, spend without any budget, is a unique phenomenon in American Government. The former Republican Senator of New Hampshire, Warren Rudman, said that independent counsels are like kings in a country that does not like kings.

Speaking of the length of these investigations, you were quoted, Mr. Smaltz, in the Los Angeles Times on November 23, 1994, as follows. You say that your probe will take 6 months. That was on 11/23/94. Then you say your investigation will take a year. In December 1997, your investigation still continues. Mr. Espy resigned his position 3 years ago. You were named independent counsel, I believe, in September 1994, if that is correct, and we are still at it. Do you have any thought about the cost and unlimited time span of these investigations?

Mr. SMALTZ. Yes.

Mr. LANTOS. We would like to hear them.

Mr. SMALTZ. Well, in the first instance, I am not sure you are comparing apples with apples when you attempt to contrast the cost of an independent counsel investigation with the cost of a U.S. Attorney's office. There is no way that when you are talking about the function of a U.S. Attorney's office or Department of Justice, that in the figures that you look to you are taking into account the space the U.S. Attorney's office is occupying. You are taking into account the staff the U.S. Attorney's office is utilizing. You are taking into account a whole lot of fixed costs that suddenly, when you have an independent counsel, you are able to quantify. I am not sure that it is fair to try and tag independent counsel with all those costs. For instance, let me tell you that 51 percent, I think,

or thereabouts of my costs last year went for payroll, payroll-related items.

Now, most of the agents that I have are detailed to me from some other agency. So they would be getting paid, working on cases in their agency, if they weren't working under my direction. The only thing that happens is they are working under my direction.

Mr. LANTOS. But they would be doing the work for which they were initially hired.

Mr. SMALTZ. And that work is prosecuting criminal acts. When you deal with the criminal prosecutions at the senior executive level, which is what independent counsel investigations are all about, you are dealing with prosecutions that are extremely difficult. You are dealing with situations where witnesses have no memory. You have seen that in some of the hearings that have occurred, if not here, before Senator Thompson's committee.

You are seeing where everybody is running for cover and you are seeing where there is a political campaign that is out to demonize the prosecutor. That almost never happens in investigations in any other criminal cases. The prosecution, when it is investigating, is not publicly attacked. When the independent counsel comes to town, he is publicly attacked and accused of being partisan, almost from the time he is appointed.

And so when you talk about costs, I am not sure that you are comparing apples with apples and I don't know that I agree with Mr. diGenova. And even if you are correct on costs, and I do not think you are, when you are dealing with corruption at the highest level of government, I think it is worth the price.

Mr. LANTOS. Well, Mr. Blackley was not at the highest level of government.

Mr. SMALTZ. May I respond to that?

Mr. LANTOS. No, that was not a question.

Mr. SMALTZ. That is an inaccurate statement.

Mr. LANTOS. That was not a question.

Now I come to what I think is perhaps the most serious issue I would like to raise with you. Implicitly you are criticizing the ethics of our Attorney General, Janet Reno, when you claim that she somehow obstructed your investigation. Of course, your ethics have been criticized richly and repeatedly.

In the mid-1980's, when you were a private lawyer in the case of Mills Land and Water Co. versus Golden West Refining Co., a California court disqualified you from a case due to your conduct. You were disqualified for violating California Rule of Professional Conduct 7–103, which prohibited any member of the State bar from communicating with a person whom he knows to be represented by a lawyer, without the permission of that person's lawyer.

The trial court found that you improperly met with a witness named Mr. Wynn, without getting permission from his lawyer, and the court disqualified you from the case. You appealed and you made a number of arguments to the appellate court. However, the appellate court upheld your disqualification stating, and I quote: "We conclude that Smaltz's contact with Wynn was improper. Smaltz, at a minimum, violated the letter of rule 7–103, at least insofar as he failed to seek leave of the court to interview Wynn without the participation of Wynn's counsel."

Moreover, the court said that it was not unfair to your client to disqualify you from the case because, the court said, quote, "Smaltz directly created the predicament of which he and his clients now complain. Consequently, we see no unfairness in prohibiting his further participation in this litigation."

Was this accurate?

Mr. SMALTZ. No.

Mr. LANTOS. Then please respond?

Mr. BURTON. He did respond. The gentleman's time has expired. Did you have any further comments you would like to make about the statements made by Mr. Lantos?

Mr. SMALTZ. Sure; just this. The situation that you just referred to was a case where Mr. Wynn was a lawyer who was president and chairman of the board of a company. There was an internal disagreement and he, Mr. Wynn, was a member of the out group, not the in group. When I talked to Mr. Wynn, it was in his capacity as a member of the out group, and he did not believe he was represented by the company's lawyer. It was as simple as that. That is what led to the proceedings.

Mr. BURTON. I will take my 5 minutes now. Let me just say, Mr. Smaltz, anyone who conducts an investigation into this administration or into people who are in the administration I have found are attacked again and again and again and again, and I know one of them personally. It is the chairman of this committee—me. And so I know what you are going through right now. Let me just comment on a few things that Mr. Lantos has mentioned.

He indicated that you were everything but incompetent and that you have been overstepping your bounds. I want to read to you a few things.

DOJ sided with the White House and opposed Independent Counsel Ken Starr in the 8th Circuit Court of Appeals case regarding attorney-client privilege. He is an independent counsel. They lost. But they opposed the independent counsel in that case.

DOJ sided with the White House and opposed Independent Counsel Don Smaltz—you—in the D.C. Circuit Court of Appeals case regarding executive privilege, and they lost in a unanimous decision.

DOJ opposed Independent Counsel Don Smaltz's application for referral of a related matter pursuant to the Independent Counsel Act so that he could prosecute former Secretary of Agriculture Mike Espy's former chief of staff Ron Blackley, indicted on three counts of lying to hide $22,000 he received in 1993, from a Mississippi agribusiness in violation of 18 U.S.C. 1001. Again, they lost.

DOJ sided with President Clinton and argued before the Supreme Court that he was immune from a civil suit arising out of events that occurred before he took office regarding the Paula Jones case. Again, they lost. Nine to zero in the Supreme Court.

Now, for them to continue to impugn your integrity and say that you are expanding your authority in an unwarranted manner simply does not wash. I think it goes along with the strategy of the opposition to try to discredit everyone who is involved in this investigation, myself included. I am not going to be intimidated, and thank God you are not being intimidated.

I congratulate you on changing from Democrat to Republican, as I did when I was a little younger.

Now, let me just say one more thing. I hope I didn't hurt myself with my colleagues. Let me just say a couple of other things. Louis Freeh, the head of the FBI, appointed by the President of the United States and supported by Janet Reno before this committee, said you were a man of impeccable character. So I apologize to you for the scurrilous attacks on you and your credibility and your character and your integrity before this committee today because I think it was totally unwarranted.

With that, I will be happy to yield to my colleague Mr. Cox.

Mr. COX. Thank you Mr. Chairman. I would like to welcome you, Mr. Smaltz, on behalf of myself and most of my California colleagues. I would like also to apologize for the way you have been treated here this morning. The truth is that the country has a great deal that it owes to you for having convicted 12 individuals and companies successfully. And I would just like to ask you, because there is a newfound sense of fiscal responsibility among some of my colleagues who have been some of the biggest spenders in the history of this Congress when it comes to discovering wrongdoing and finding it out and prosecuting it, I would like to ask you whether or not when you convicted Sun Diamond Growers of giving the Secretary of Agriculture thousands of dollars in gifts, whether or not they were fined, and to whom they paid the fine, and how much was the fine?

Mr. SMALTZ. The fine was $1.5 million. It was paid to the Treasury of the United States.

Mr. COX. So probably we are not taking into account some of the revenues that you are collecting on behalf of the U.S. Government when you win these convictions. When you convicted Smith Barney of unlawfully supplementing the salary of a Federal Government official, the Clinton administration's Secretary of Agriculture, how much did Smith Barney pay in fines?

Mr. SMALTZ. They paid a total of fines, let us see, fines, penalties, $1,050,000.

Mr. COX. So just in those two convictions out of a dozen, we have got a couple million dollars that have gone directly into the Treasury of the United States that my colleague neglected to mention. And in fact, I won't go through the rest of them but there are others, because you have been routinely sending people to prison and collecting fines.

I might state the obvious as well. I believe that the gentleman who was putting those questions to you has occasionally gotten some bad press. He read a bad press clip on you. Have you ever gotten any good press?

Mr. SMALTZ. I believe I have.

Mr. COX. I know you have. I am reading some of it right here. One of the things that it says, after recounting the fact that you have won all these convictions, is that you have also won a grand jury indictment of the Secretary of Agriculture himself on 39 counts, including accepting illegal gratuities, witness tampering and mail fraud, and that since several individuals and companies have already been convicted by you, by the courts, with you as prosecutor, of giving illegal gifts to Secretary of Agriculture Mike

Espy, "Smaltz is widely expected to win his case against the former Clinton Cabinet secretary."

Do you think that might provide a reason for the Clinton administration to be unhappy with what you are doing?

Mr. SMALTZ. It may well, may well.

Mr. COX. I did not mean that to be a hard question but you are coming under some very, very unfair character attacks here, and I think it is delightful that somebody who was for a long part of his career a Democrat can see things from both sides, and I am happy that you are a Republican. But I find it rather outrageous that only a Democrat member of the Clinton administration is thought sufficiently independent to investigate the Clinton administration.

Mr. BURTON. My time has expired. Let me just state to all the Members that the rule of the committee is that there will be 5 minutes given on this round to each individual and we will adhere strictly to that rule.

Mr. Lantos, you are recognized for 5 minutes.

Mr. LANTOS. Thank you, Mr. Chairman.

The recoveries that my friend from California referred to do not begin to cover the enormous costs that you have run up, Mr. Smaltz. The record clearly shows that.

I want to return to the ethical problems, because I did not ask you to agree with me or not to agree with me. I was quoting from the papers of the court, the appellate court in California. So I will read the statement again and I would like to ask you whether you think the court was wrong.

This is what the court stated. "We conclude that Smaltz's contact with Wynn was improper. Smaltz at a minimum violated the letter of rule 7–103 at least insofar as he failed to seek leave of the court to interview Wynn without the participation of his counsel." That is what the court said. Do you agree with that statement?

Mr. SMALTZ. No, because——

Mr. LANTOS. This is the appellate court.

Mr. SMALTZ. I understand that. But I am telling you that Wynn's—the counsel they are referring to is the company counsel. And Wynn considered himself to be as part of the out group and as not represented by that counsel. I remember the situation very well. Mr. Wynn was a lawyer with some considerable experience.

Mr. LANTOS. Well, let me deal with another ethical problem which is more recent. I am dealing with these because I feel very deeply that your attack on the Attorney General questions the ethics of a person of impeccable integrity. She at no time attempted to obstruct justice.

Mr. SMALTZ. I don't think I ever said that she attempted to obstruct justice.

Mr. LANTOS. Mr. Smaltz, more recently your prosecution team has had another ethical problem when the U.S. District Court here in the District of Columbia held that you violated the constitutional rights of a defendant and overturned the defendant's conviction. Your prosecutors convicted a man for making two false statements to investigators in the course of your investigation. When your prosecutors tried and convicted this man, a key issue was whether the false statements were material, whether they really mattered.

The only witness that testified for your team that statements were material was a certain FBI agent.

What your prosecutors did not tell the defendant during the trial was that the FBI agent who testified for your team earlier in his career forged several signatures of informants on witness statements and lied about doing so. The agent had received a letter of reprimand for this conduct, which amounts to forgery and perjury. After the jury verdict, the judge overturned the conviction because your prosecutors had violated the defendant's constitutional rights in not providing him with this information. Is this correct?

Mr. SMALTZ. No.

Mr. LANTOS. Excuse me?

Mr. SMALTZ. No.

Mr. LANTOS. Well, then explain why it is not correct. Did the judge overturn the conviction?

Mr. SMALTZ. The judge granted a new trial but it was——

Mr. LANTOS. He overturned the conviction.

Mr. SMALTZ. The judge granted a new trial. But it wasn't because the prosecutors hid anything. It was because the prosecutors were unaware of certain things. And on a motion made by the defense, very, very close to the end of the trial, our office caused a request to the FBI to undertake a review of individual's files. And that review came back and we advised the judge, and at that point in time the defense said well, they did not want to go into the matter now. They will wait until a verdict is returned and take it up then.

It was at that point in time that the matter came to light, and after the verdict they decided that they wanted to move for a new trial based upon the fact that the individual FBI agent who testified only on materiality had had previous allegations made against him of misconduct. That was, according to the judge, a factor which the defense, had it known about, may have been able to develop and may have changed the jury's verdict.

We have subsequently reindicted the defendant in that case—Mr. Williams—and he is awaiting trial in February for those counts of false statements as well as giving gratuities to Secretary Espy in violation of the Meat Inspection Act of 1907.

Mr. LANTOS. The court basically found that your team violated Mr. Williams' constitutional rights by not providing him with exculpatory evidence that you had. This was a clear violation of his constitutional rights.

Mr. SMALTZ. I do not believe the court put the blame on the prosecutors that prosecuted that case.

Mr. BURTON. The gentleman's time has expired.

Mr. Horn.

Mr. HORN. Thank you, Mr. Chairman. Welcome to the world of American politics, Mr. Smaltz. We find when we are campaigning every 2 years sometimes your opponents are lacking in ideas and they are also lacking in good analogies. And so what do they do? They resort to a negative campaign to try to destroy you. That is why a lot of people do not even go to the polls. They are so fed up with that kind of behavior.

Let us talk about behavior. You got a pretty good reference yesterday and today when the Director of the FBI said that all dealings with you have been professional and when he said he had

great respect for you and he said that the view of Mr. Smaltz as an attorney and prosecutor is extremely high. So I think you come before this committee with some pretty good references and negative campaigning won't destroy that.

Now, let me get into a few issues here. Tyson Foods has been named a couple of times by some of my colleagues. We had an extensive hearing of this full committee a few years ago on the frozen chicken rule of the U.S. Department of Agriculture. So I hope when you get into this in agriculture that you take a look at the forces that led to the Federal frozen chicken rule remaining the same against what the law in California is, which is more stringent, has a higher standard to protect the public health, and the U.S. Department of Agriculture wouldn't change it.

When I listened in that hearing that this committee held, the fingerprints of Tyson Foods were all over that particular position of the Department of Agriculture. Whether you can trace it to exact money buying in campaigns and all the rest, I don't know. But you might want to look at that.

Now, let me get into a few other things.

We got into a discussion with the Attorney General, I think all of us, on what is a conflict of interest. And she said that Justice has tried to take care of that situation by having different teams and so forth and so on and gave me the prison guard analogy, that, yes, there might be a case against a prison guard and there might be a different interest, so forth.

The point is, she is not a prison guard. She is an appointee of the President of the United States. He doesn't appoint prison guards. You don't have to worry about the prison guard that much. You do have to worry when the Attorney General is the appointee of the President and, as you said, there is a real problem here with Justice and a lot of the independent counsels. Do you have any feeling on how it is in Justice? Do they try to prevent these conflicts of interest from going on as to who represents whom?

Mr. SMALTZ. Congressman, I can only speculate as to that. I would prefer not to do so. I am not that familiar with the internal workings of the Justice Department except to the extent as it relates to me and specific issues and items of discussion that I have had with them.

Mr. HORN. Let me ask you then, moving on, the Department of Justice's opposition to the *Blackley* prosecution was not the first time that the Department of Justice had actively opposed or impeded your investigation, was it?

Mr. SMALTZ. It was not.

Mr. HORN. What kind of opposition did you get from the Department of Justice before?

Mr. SMALTZ. Well, when we had thought that we had sufficient evidence and facts to justify looking at particular other matters that we thought we should investigate, Justice opposed that. And we asked them either for a referral of the matter as a related matter or alternatively as an expansion of our jurisdiction and they declined to do either. And so we just deviated from that course and directed our attentions elsewhere.

Mr. HORN. When I listened to some of my colleagues both yesterday and today compare the U.S. Attorney's Office in Massachusetts

to an independent counsel, the thought that crossed my mind, the U.S. Attorney's Office in Massachusetts doesn't have to pry documents out of the White House. Isn't it true that the Department of Justice supported the White House position not to turn over 86 documents that were material to your investigation?

Mr. SMALTZ. I do not—I am not certain that the Department of Justice took a position in that. I think that perhaps the White House Counsel's Office took a position, but I do not believe, I believe DOJ stayed out of that fight.

Mr. HORN. And the result of that opposition, be it by the counsel to the President or the Department of Justice, was, what, when it went to the court?

Mr. SMALTZ. Let me tell you this, and the matter was argued before the circuit and the circuit ruled, I think, in June and the circuit ruled that we were entitled to certain information and we would have to make an additional showing as to other information. As I sit here today, we still don't have that information the circuit said we should have back in June. And this is now December.

Mr. HORN. And then some wonder why you take so long to convict when you have this type of obstacle that is put up before you every step of the way.

Mr. SMALTZ. There are a lot of obstacles that are placed in the way of these types of prosecutions. I mentioned some of them in a speech I gave not too long ago that was reported among other places in the Wall Street Journal. So there is a number of obstacles that independent counsel particularly face.

Mr. HORN. I think this case is known as the In re Sealed case for reference.

Mr. SMALTZ. The D.C. Circuit case, yes.

Mr. BURTON. Mr. Mica.

Mr. MICA. Thank you, Mr. Chairman. I want to congratulate you on the work you have done on this whole matter, the Espy matter. I served on this committee as a freshman on a subcommittee that dealt with the question of meat and poultry standards. I remember after getting elected, I just pulled some copies of our hearings, the administration said the meat and poultry standards are coming. The new rules are coming and we held a hearing.

In fact, the hearings were November 4th and 19th, 1993. We had the E. coli problems. They were coming and coming. This is another hearing we held. They never got there. I always wondered why they never got there. I raised questions about Tyson's interference. It is all documented. It is public record. It is great reading. But I found out what happened to the meat and poultry regulations. It is all documented there. You did great followup.

I think the public, and your job is the health and public safety, the job that you are responsible for ensuring took place and you did a commendable job. So it is there. It is great reading. You can read how the Department of Justice intervened in a case after Tyson weighed in in California. Unprecedented fashion. It is all detailed here.

What I want to get into is a couple of things. First of all, you discussed the turf war with the Public Integrity Section, I think, of the Department of Justice briefly. I heard Louis Freeh tell us the chain of command. We have heard that there is already problems

there in the Department of Justice with his task force. It is my understanding that Mr. La Bella is now in charge. You have said you have had problems with DOJ. Specifically, who have you had problems with? Have you had any problems with Mr. Radek, the head of Public Integrity Section?

Mr. SMALTZ. Well, we have because it was the Public Integrity Section that opposed our exercising our jurisdiction over Mr. Blackley and farming enterprises.

Mr. MICA. So that opposition would have been by Mr. Radek.

Mr. SMALTZ. Yes, by him and his division.

Mr. MICA. And as I understood the chain of command today, I guess that Mr. La Bella, who has now been put in charge, is underneath Mr. Radek.

Mr. SMALTZ. I don't know. I don't know how the present task force is set up.

Mr. MICA. That is what the FBI Director testified to so that raises some concern. Now, there has also been a report that you may have talked to David Barrett, I guess, was the HUD special counsel and Ken Starr, the Whitewater special counsel. They may have expressed similar concerns about DOJ interference. Could you describe any conversations you have had or concerns they may have expressed?

Mr. SMALTZ. Well, I really would prefer not to do that, Congressman.

Mr. MICA. We should call them in separately.

Mr. SMALTZ. I wish you would. As you know, there have been statements in the press concerning various efforts to extend jurisdiction or have things referred to as a related matter by other independent counsel, but they are in the best position to tell you.

Mr. MICA. But they have expressed concern to you that they have had similar problems?

Mr. SMALTZ. I am not prepared to say that they have. I think one of the two has.

Mr. MICA. One of the two has. Let me also express some concern about the organized attacks that you have noted, that there are media attacks and DOJ attacks that have been orchestrated by the White House. I find that disturbing. Could you describe more in detail how these attacks may undermine your investigations and prosecution?

Mr. SMALTZ. Well, any time that an independent counsel, any prosecutor is attacked and portrayed as some zealot who is not altogether there or who is overly aggressive, there is what I call the ripple effect. First of all, to the extent they can be painted as some aberration, witnesses are less likely to come forward and be forthcoming. Targets are less likely to come in to admit their criminal culpability because they believe that the press and the efforts of those who are attempting to pillar the independent counsel may sufficiently discredit them so that the independent counsel will never get to complete his prosecutorial efforts.

Mr. MICA. Wouldn't it just force you to learn that they formed a committee, back to business committee, which solicited money from some of the folks we are investigating, Johnny Chung, to attack Mr. Starr and other investigations and some of these folks are

now, like Ann Lewis and Lynn Cutler, operating out of the White House.

Mr. SMALTZ. I am not aware of that. I have to tell you the truth. I have enough problems in my own investigation and prosecutions. I have not been keeping myself totally current with all the endeavors and efforts of the ongoing investigation.

Mr. MICA. Mr. Chairman, a unanimous consent request. Yesterday Mr. Lantos, to this committee, made a statement which said that I would like the record to show that President Reagan made fund-raising calls from both the White House and from Camp David. These calls included direct solicitation of Richard DeVos, president of Amway, asking him to raise $3.350 million. Mr. DeVos has sent a letter in response. I would like that to be made a part of the record and it does correct it, that that is inaccurate, and he has the accurate information. I would be glad to read it, if I was given the time.

Mr. BURTON. We will submit that for the record without objection. I will be glad to give Mr. Lantos a copy of it so he can review it. Without objection.

[The information referred to follows:]



Amway Corporation 7575 East Fulton Street Ada, Michigan 49355

December 10, 1997

The Honorable Dan Burton
Chairman
Committee on Government Reform & Oversight
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

It is my understanding that yesterday Congressman Tom Lantos (D-CA) made the following statement:

> I would like the record to show that President Reagan made fundraising calls from both the White House and from Camp David. These calls included a direct solicitation of Richard DeVos, President of Amway, asking him to raise $3,350,000.

I would like to correct the record. Like most Americans, I certainly remember a telephone call from the President of the United States. The telephone call, that I believe Mr. Lantos is referring to, was not to solicit any money from me personally. President Reagan called to ask me to serve as Chairman of Republican Party's Finance Committee which I was very honored to do. During this telephone call, I do not remember his mentioning any amount of money the Committee needed to raise.

Over the years, I have supported the Republican Party because I believe that every citizen should participate in the political system, in whatever way they are most able, whether it be through volunteering one's time or through contributions.

Respectfully,

Richard M. DeVos

RICHARD M. DEVOS, SR.

Mr. BURTON. Mr. Barr.

Mr. BARR. Mr. Smaltz, following up both on the conversation with Mr. Mica and, I think that you touched on this also in an interchange with the chairman earlier, with regard to statements made by Government officials about an independent counsel and what effect that can have. I think you used the word earlier that it could have the effect of impeding a proceeding, a prosecution; is that correct?

Mr. SMALTZ. I did. Yes. That is correct.

Mr. BARR. I suspect that you used the word, your words very carefully, that that is the effect that it would have because if we look at it a different way, it puts us square into 18 U.S.C. 1505, the obstruction of proceedings before departments, agencies and committees, obstruction of justice statute, which makes it a Federal crime for any person, not just a Government official, that would include, for example, somebody like a James Carville, who is on record repeatedly making very, very vicious and very pointed attacks on independent counsels and particularly Mr. Starr, that if they corruptly, and it defines the word corruptly, not in the sense that in different statutory settings we might think of a payment in return for something, but simply acting with an improper purpose. If somebody corruptly impedes an investigation or prosecution or other proceedings, very broadly defined, which would clearly include an independent counsel, that they are, they have violated the corruption, the obstruction of justice statute.

So we are talking about matters here that are very, very serious, that go, I believe, and I suspect you would agree, to the integrity of not just an independent counsel, but our judicial system and the ability of prosecutors, whether they are appointed prosecutors, elected prosecutors or independent counsels to carry out their lawful mandates; is that correct?

Mr. SMALTZ. Well, yes, Mr. Barr. I agree with much of what you say. But let me make it clear that I at no time have accused any person of violating either 1503 or 1505 and obstructing justice.

Mr. BARR. I understand. I am glad. I tried to make that clear. You chose your earlier words, very, very carefully. I am characterizing the process somewhat differently and saying that it could very well get us into 1505, but I understand that you have not said that.

Mr. SMALTZ. I have not and I would never suggest that of Public Integrity. My concern with the opposition that Public Integrity filed was I didn't think it had a principled basis. First of all, the statute was clear, No. 1, and No. 2, it was clearly a related matter because of the broad scope of my jurisdiction, as I previously mentioned and read. And there is just no basis. There may have been other bases, but nonetheless they came forward as is their right. I think they have a right to litigate their position, but I didn't think it was a principled position.

Mr. BARR. I understand. Speaking of Public Integrity at the Department of Justice, Mr. Chairman, I think it might be worthwhile to take Mr. Lantos up on one thing that I think he did say that was appropriate today and that is that we ought to hear from the Department of Justice on this, perhaps Mr. Lee Radek, the head of Public Integrity; Mr. John Hogan, the Attorney General's chief

of staff; Mr. Bob Litt, the Deputy Assistant to the Attorney General on this matter because I think it is very, very important.

Mr. Smaltz, again, with regard to another matter that has already been touched on today, according to what I believe was an October 8, 1997, report in the Wall Street Journal, you were quote, "called on the carpet," as we have discussed, earlier at Justice in July 1995 in order to stop investigating Tysons Foods. Would you please explain in a little bit of detail that meeting and the circumstances surrounding it?

Mr. SMALTZ. Well, first of all, let me point out that Tyson Foods is still under investigation. I can only say this about the meeting. At the meeting that I was at, the following people were present from the Department of Justice: the Attorney General; the Deputy Attorney General, who was then Jamie Gorelick; JoAnn Harris, who was Chief of the Criminal Division; Jack Keeney; Lee Radek, and I believe JoAnn Farrington. And present with me was my deputy at the time, Ted Greenberg. And that sort of set the parameters for the meeting. I do not think it would be appropriate at this time for me to go into what was said given the sensitivity of the matter.

Mr. BARR. Could you indicate to us whether or not the characterization made in this particular article by Mr. Morrison in October 1997 was essentially accurate in the gist of the meeting being to stop investigating Tysons Food? Obviously if that was, it did not work, but was that the gist of the proceedings generally as he has laid them out in his article?

Mr. SMALTZ. Let me just say that it concerned our investigation of Tyson Foods.

Mr. BARR. Thank you, Mr. Chairman.

Mr. SMALTZ. May I ask a question, Mr. Chairman?

Mr. BURTON. Of myself?

Mr. SMALTZ. No, of Mr. Barr.

Mr. BURTON. Of course.

Mr. SMALTZ. What was the source of that article? Was it two Justice officials or do you recall? The record will speak for itself.

Mr. BARR. I have some references to it here. I do not recall the exact sources, but I remember it was. It seemed to be, as always, by the Wall Street Journal, a well-written piece by Mr. Morrison.

Mr. BURTON. The gentleman's time has expired. Mr. McIntosh.

Mr. MCINTOSH. Thank you, Mr. Chairman. I would yield my time to Representative Cox.

Mr. COX. I thank my colleague for yielding. Before I proceed with a line of questions, Mr. Smaltz, you and I discussed the fines that you had recovered in consequence of winning 12 separate convictions. That is, as we established, multimillions of dollars. I have totaled it up myself and the only reason I did so, after you and I discussed it, is that my colleague from California asserted that the fines that you have collected "do not begin," if I am quoting him correctly, and I think I am, "do not begin to cover the expenses that you have generated as an independent counsel."

First of all, I have never thought that law enforcement was anything but a cost. I mean the cops on the beat, except to the extent we give them quotas for tickets and so on, generally don't return enough revenues to cover their investigation of murder cases. The

U.S. Attorneys cost money. We have to pass a DOJ appropriation bill around here because the Department of Justice costs billions of dollars over time. So I do not think it is your job to be a profit center. But the truth is that not only do the fines that you have recovered begin to cover the total costs, but they do far more than that.

To use my colleague's number, I believe he said that you have run a tab up so far of $8.4 million. I don't know if that is correct. I know that you have said other costs that the Department of Justice is engendering are being included in your total. My calculation of the amount of fines that you have collected, which need to be offset against the cost of the independent counsel, in your case is $4.5 million not counting the fine that you may get against Ron Blackley.

And I note that since it is $250,000 a count and that he has been punished on three counts, that that is another three-quarters of a million dollars potentially. He may not be good for that so we won't count that. But a $2 million fine was awarded against Crop Growers Association; is that correct?

Mr. SMALTZ. That is correct.

Mr. COX. A $1.5 million fine was awarded against Sun Diamond Growers.

Mr. SMALTZ. That is correct.

Mr. COX. A $1 million plus fine was awarded against Smith Barney.

Mr. SMALTZ. That is correct.

Mr. COX. And I have got $60,000 in other fines for a total of $4.560 million in fines that are to be paid directly to the U.S. Treasury. I hope that that puts to rest this notion that we should be opposed to an independent counsel because we can't afford it. I think that is a foolish assertion and people should be embarrassed to make it. I would permit you to comment on it, if you wish.

Mr. SMALTZ. Thank you. Those fines have, in fact, been paid. We have collected that amount. It is not just outstanding. I would make a comment. We are not in the quota business, and you are right, you can't put a price tag on law enforcement. But let me just emphasize, since one of these cases resulted in a $2 million fine, the Crop Growers case, that was a case where a public corporation, Crop Growers Insurance Co., contributed $46,000 in illegal campaign contributions to Henry Espy, the brother of Secretary Michael Espy, when the Secretary of Agriculture was sponsoring a major bill that could affect how crop insurance was written.

And those kinds of cases, they are not easy to dig out. Crop Growers was located up in Montana. The campaign was down in, for Henry Espy, was down in Mississippi. There was money laundering involved that occurred in Louisiana. That takes time, effort and money to ferret out. I think it is an unfortunate hit when people try to say, well, the investigation cost this much and what do you have to show for it, because we are trying to make the Government better, weed out the corruptive sources. That takes time, effort, and a lot of money. But law enforcement is expensive.

Mr. COX. Mr. Smaltz, just a few days ago you won three convictions against the chief of staff to the Secretary of Agriculture in the Clinton administration. The convictions obviously couldn't have

been obtained if there were not a prosecution. Justice did not want to prosecute the chief of staff to the Secretary of Agriculture and it also went further and went to court to stop you from doing so. Is it fair to say that if Janet Reno had had her way that Mr. Blackley would have gotten off scot-free?

Mr. SMALTZ. Well, Justice had looked at the Blackley matter. It had much of, but not all the same evidence we had, and it had declined in March 1995 to prosecute Mr. Blackley. So if we had not prosecuted him, I don't know who would have.

Mr. COX. And of course if he were not prosecuted, he would have gotten away scot-free with the crimes for which he was convicted a few weeks ago.

Mr. SMALTZ. That is correct.

Mr. COX. I thank the chairman. I am sorry. I yield to the gentleman from Georgia, Mr. Barr.

Mr. BARR. Just a quick question, Mr. Smaltz. With regard to the length of time it takes to successfully conclude one of your prosecutions, is that entirely a function of what you and your staff do? Or would it also be somewhat dependent on delays occasioned by opposing counsel, the courts and so forth?

Mr. SMALTZ. It is a multiparty problem. It is not only what we do. We can try and investigate as rapidly and thoroughly as we can. But when the entities that we are seeking information from or subpoenaing documents, whatever, won't cooperate or won't turn it over, then we have to go to court. We have to do, when we have to go to court, we have to wait for the court process to take its time. That involves some considerable delays.

I think we factored in at one time that it takes about 15 weeks when a motion is contested at the grand jury level because of the number of motions that have been filed, about 15 weeks often for material to come forth after the subpoena has demanded, about 15 weeks later before we get it. That is very disruptive on the investigation. That is just the investigation.

Then you get to the prosecution. Once the indictment is returned, Government does not control how quickly the case proceeds. In all our cases we have told the court we are ready to go. On the date of the indictment we are ready to go. The court has its problems with its calendars. It is going to look to defense counsel. The courts are usually deferential to the defense counsel and despite the fact that we have tried to get cases to trial as rapidly as possible, the best we have done is about 65 days. And that was here in the district.

We have had one case in California that lingered more than a year before we got it to trial after it was indicted, although we kept asking for a trial and asking for a trial. So the Government doesn't have the ability to control that pace. That is where a lot of the delay, that is where they come from.

Whenever you have a delay, your costs are going to go up. Because you have the staff in place, you are prepared to go, you are waiting to go. What are you supposed to do? Fire the lawyers and say, I do not need you now? Come back in 3 months or 4 months when we get a trial date. You can't do that. You can't tell the investigators to go home.

Mr. BURTON. The gentleman's time has expired. Mr. Cox has his time now, 5 minutes.

Mr. COX. I thank the chairman. I yield to the chairman.

Mr. BURTON. I just wanted to point out, there have been some questions about the cost of the investigation and I think my colleague, Mr. Cox, has very clearly stated why this has not been an overly expensive investigation. I wanted to compare that to the Iran Contra investigation which lasted from 1986 to 1993, the total cost was $48 million. The investigation of HUD Secretary Sam Pierce was $27 million. The Whitewater investigation, I think, has been about $27 million. So there have been some substantially more expensive investigations than this one. As Mr. Cox said, you have garnered some substantial results. Mr. Cox, thank you for yielding.

Mr. COX. I thank the chairman. Mr. Smaltz, if I may, I would like to ask you about the independent counsel statute. You are a lawyer. You have been appointed by a three-judge panel as an independent counsel. Certainly, you understand the law. It is not long and you work under it. We had a chance to talk to the Attorney General about the statute as well and the standard that she uses to determine whether an independent counsel is in order.

Under section 591(c), an independent counsel for a covered person, like the Vice President, whom she was investigating under the independent counsel statute up until recent days, is mandatory if, quote, there are reasonable grounds to believe further investigation is warranted, close quote.

We have learned from our hearings in recent days that, despite the fact that the Attorney General, at the expiration of the time of the preliminary investigation, did not make application to the 3-judge panel to consider appointing independent counsel, the FBI is continuing its investigation into the matter of telephone calls, and fund-raising phone calls, made from the White House by Vice President Al Gore.

The way I read the statute, if the investigation is continuing, of course there must be reasonable ground to do so. And if there are reasonable grounds to do so, an independent counsel is mandatory. Therefore, on the face of the statute, it would appear that the Attorney General is violating independent counsel law.

Could you give us your understanding of the way the independent counsel law works and whether or not you agree that if there are reasonable grounds to continue investigation after the preliminary investigation expires, one must, if you are the Attorney General, apply to the 3-judge panel to appoint an independent counsel?

Mr. SMALTZ. Congressman Cox, you're a fellow Californian and I have the greatest respect for you. You worked in the White House at one time, I believe. You're a lawyer. I think I would be overstepping the purpose for which I'm here if I began to opine on the Attorney General's present decisions whether or not to appoint an independent counsel. I really don't think that it would be appropriate for me to do that. I mean, I've got enough problems of my own. And besides, I'm trying to get this investigation done. I want to get back to California.

Could I be excused from that question, please?

Mr. COX. I permit you to demur. Although, frankly, all I am asking for is a fair reading of the law. It is the face of the statute that I am concerned with. But I understand that you do not want to stick your neck in that wringer.

Mr. SMALTZ. I can tell you what I said publicly in a speech I gave about the independent counsel, how I viewed how the independent counsel statute works, if you gave me a moment. But it had nothing to do with whether or not the Attorney General was acting properly. If you would like to hear it, I will see if I can find it.

Mr. COX. Well, you are certainly welcome following the hearing to submit it for the record. And we will be sure to see that it is included. And I ask unanimous consent for that purpose at this moment.

Mr. BURTON. Without objection, so ordered.

Mr. COX. I thank you.

[The information referred to follows:]

OFFICE OF INDEPENDENT COUNSEL
DONALD C. SMALTZ
In re Secretary of Agriculture Espy

P.O. Box 26356
103 Oronoco Street, Suite 200
Alexandria, VA 22313
(703) 706-0010
(FAX) 706-0076

Speech by Don Smaltz, Independent Counsel, at the "Corporate Crime in America" conference presented by the *Corporate Crime Reporter*, Washington, D.C., October 16, 1997

"Independent Counsel Matters Take Too Long" Compared to What?

"Independent Counsel matters take too long" is a never-ending criticism made about almost every Independent Counsel. The statute creating the Independent Counsel directs him to perform four separate, but inter-related, functions: investigate, prosecute, handle appellate matters, and prepare a detailed Final Report. Which of these functions takes too long? Some? All? Intimately involved in each function are at least two other players -- the subject/defendant, and the court. If Independent Counsel matters take too long, who , if anyone, should bear responsibility?

"Independent Counsel matters take too long" is a criticism that's pregnant with condemnation, but short on specifics -- like too long -- compared to what? The only other institution I know that has a similar mission and offers a basis for comparison is the Department of Justice.

I believe the Independent Counsel's investigators and prosecutors do not take any longer -- or are any less efficient -- than their DOJ counterparts. In fact, all things considered, you may find they are actually more efficient and take less time. I say "all things considered" because today I want to discuss some impediments to Independent Counsel investigations not encountered by their DOJ counterparts.

One time clock setting the maximum limits for investigation and indictment of federal offenses is the federal statute of limitations which, for most federal felonies, is 5 years; although, for certain financial institutional crimes, the statute is 10 years.

The Independent Counsel's usual focus is on public corruption -- a species of white collar crime at the highest levels of government. This conference is discussing a variety of "white collar" crimes, and many of you are very experienced. Ask yourselves how long it takes just to investigate, and then to prosecute these offenses.

In a *Wall Street Journal* story in May 1995, entitled "The Bad Guys Are Winning," the author concluded the Justice Department "takes far longer to bring white collar criminals to justice than perpetrators of other crimes." While the article did not quantify the entirety of the process, based on Justice Department statistics, it did note that "it takes more than 10 months for a white collar criminal case to be filed in court from the time it is referred to the federal prosecutor's office." Before referral to the prosecutor, there are three other pieces to the investigative equation that were not quantified in the article:

1. The length of time to discover the alleged crime;
2. The length of time to investigate; and
3. The length of time after investigation to refer to the prosecutor.

I know of no statistics that compute mean times for these other three periods, but your experience will confirm that the time to complete each will vary significantly depending upon the crime, the investigative agency, and a variety of other factors.

I asked you earlier to reflect on how long, in your experience, it took to investigate white collar matters. What time-period came to mind? In my experience, from the inception of the investigation to the indictment a "generic" white-collar case runs from a minimum of about 12 months upward to 48 months, with the norm being about 3-1/2 years. Whatever your belief of the average length, is it inappropriate to expect an Independent Counsel to complete the investigation phases of public corruption cases any more quickly than DOJ ?

While Independent Counsel investigations can often mobilize more investigative and lawyer firepower on particular factual issues than their DOJ counterparts, there are a variety of obscure statutory requirements and unique circumstances which lengthen the Independent Counsel investigations. These have received scant attention, but should be considered when deciding whether Independent Counsel matters really take too long.

From the get-go, the newly appointed Independent Counsel encounters some real impediments to even starting his investigation. Consider that, upon assuming office, a newly-appointed United States Attorney steps into a fully-functional DOJ office, complete with security-cleared staff, agents and Assistant U.S. Attorneys possessing a base of institutional knowledge. Conversely, the Independent Counsel starts from ground zero. He has only the piece of paper evidencing his appointment and jurisdiction. He has no telephone, no office, no staff, no lawyers, no agents, no books, no computers -- not even a FAX machine.

While the 1994 amendments to the Act obligate GSA to "promptly provide office space for the Independent Counsel," that is easier said than done. If experience is any guide, the newly-appointed Independent Counsel is provided "temporary" space -- a closet in the basement of some federal office building -- from which he must begin the process of attempting to recruit qualified people. The conversation with the potential staffer will include:

Q. "How long will this job last?"
A. "I don't know."
Q. "Is this where you'll office?
A. "I don't know."
Q. "When will you know?"
A. "I'm not sure."

The explanation to the experienced lawyer candidates is even more difficult. They aren't as concerned about where they'll be working as they are about how many cases they'll try.

Lawyer: "I graduated 5th in my law school class. I was editor of the *Law Review;* clerk to a federal circuit judge; served 10 years as an AUSA, the last 5 as head of the fraud unit, and tried 17 cases to verdict. For the past three years I've been in private practice doing litigation. How many trials can I expect to be assigned?"

IC: "I don't know -- there may well be no indictments. Out of a total of 17 Independent Counsels appointed under the statute, 10 brought no indictments. Until we complete our investigation, we won't know about trials."

Despite their unknown duration and destination, Independent Counsel investigations have been able to attract tremendously talented, able and experienced staff, agents and lawyers from private practice, U.S. Attorneys Offices, and DOJ.

My intent is not to burden you with the Independent Counsel's travails of locating, equipping and staffing the office, or complying with never-ending inane GSA regulations. I simply note that, starting from ground zero, it generally takes anywhere from three to 12 months before the organization is integrated fully and adequately equipped to function efficiently.

So, when do you start the clock on the Independent Counsel -- when he is appointed, or when his office is effectively up and running? If your standard of comparison is his DOJ equivalent, consistency suggests you use the date the Independent Counsel is fully operational.

A second impediment not encountered by DOJ in its prosecutions, and which has a dramatic impact on an Independent Counsel, are the unintended consequences of the Attorney General's "preliminary investigation."

The Independent Counsel Act provides that when the Attorney General receives information sufficient to constitute grounds to investigate allegations of federal criminal conduct by a "covered person," she must conduct a preliminary investigation within 90 days. 28 U.S.C. § 592(a)(1). If after the preliminary investigation she concludes "there are reasonable grounds to believe further investigation is warranted," she files an application for appointment of an Independent Counsel with the Special Division. 28 U.S.C. § 592(c).

In making the determination whether or not further investigation is warranted, the Attorney General may consider only the specificity of the alleged criminal conduct and the credibility of the source of that information. 28 U.S.C. § 591(d)(1). This is a very low threshold, indeed, that Congress has set, tilting the process in the direction of appointment of an Independent Counsel. Moreover, in making the determination, she is limited to questioning witnesses who voluntarily agree to interviews, and reviewing documents voluntarily produced.

The Attorney General does not have any of the basic prosecutorial tools so necessary for thorough investigation because she is statutorily forbidden "to convene Grand Juries, plea bargain, grant immunity, or issue subpoenas." 28 U.S.C. § 592(a)(2). How in the world can you ever get to the bottom of things if you can't use compulsory process ?! If that's not bad enough, according to recent news reports, DOJ apparently construes its limited investigation charter so narrowly that "you can't ask someone if a covered person committed a crime."

If, and I say if this "don't ask -- don't tell" restriction is imposed by DOJ, it's small wonder that the press accurately reported long before an Independent Counsel was *sought* in the *Espy* and the *Cisneros* matters, that the Public Integrity Section was of the opinion there should be no Independent Counsel in either matter.

While the Attorney General's "limited preliminary investigation" cannot, under the terms of the statute, meaningfully develop the facts underlying the accusations, it does, however, walk all over the supposed crime scene, leaving indelible footprints. Those prints portend a variety of mischief for the Independent Counsel. First, it alerts the subjects of the investigation where the investigation is coming from and who it's heading toward. Second, this alert causes

them and others to "lawyer up," with the inevitable exchange of information among lawyers and their clients concerning whose client remembers what, whose client cannot recall what, and whose client believes he was absent that day. Third comes the lawyer's public espousal of his strategy -- often complete with a public relations advisor, followed by statements from the subjects' surrogates in the media, to the effect "there was no intent to violate the law," "the law is too old," "the law has never been enforced," "he was only being treated as family," "there is no controlling legal authority," "this is a witch hunt," etc., etc.

Thus, while few white collar criminal cases take on a public persona at the *investigative stage*, it is the exceptional Independent Counsel investigation that does not become a media curio, transforming the Independent Counsel into an instant political figure. Once this transformation is established, then by definition the investigation -- according to some -- becomes a political vendetta against the subject of the investigation.

The media then no longer reports the matter as a government investigation, but rather as a political event which in turn causes the subjects, and those politically aligned with the subject, to deride the "vendetta." Clever and politically-astute defense counsel are keenly aware that investigations suffering public approbation are less likely to obtain evidence from reluctant or neutral witnesses. Some may ascribe great wisdom to the observation: "you can indeed fool all of the people all of the time if the P.R. is right and the budget big enough."

So while the intent of the Act's provision for a limited preliminary investigation is understandable, the effect is to interject myriad problems that delay and impede the Independent Counsel's investigation.

Other factors contributing to the length of Independent Counsel investigations not apparently encountered to the same extent in DOJ investigations are lying, perjury, and plain old obstruction of justice, which I'll collectively refer to as "false statements." If indeed conspiracy charges are the darling of the prosecutor's nursery, for Independent Counsel investigations "false statement" charges occupy a most-favored cradle there.

When federal agents question a witness, the witness has only two choices: answer the question truthfully; or decline to answer. Lying is not an option and, if he lies, he is subject to -- and should be -- prosecuted. The false statement statute, 18 U.S.C. § 1001, is a relatively straightforward statute. It provides, in essence: "whoever . . . knowingly and wilfully makes any materially false . . . statement" to a federal investigator is guilty of a felony.

The regularity and frequency (more than one-third of all Independent Counsel prosecutions have been for false statements, perjury, and obstruction) with which these charges appear is not because they are easy to prove. Quite the contrary. False statements are often charged as violations of 18 U.S.C. § 1001. These prosecutions are difficult to prove because, usually, it's the word of the investigator against the word of the defendant -- usually a person who is well-educated, erudite and without apparent criminal blemish, who was lying to the investigator in the hope he could steer the investigation away from himself, or his boss, or his friend.

Another difficulty with Section 1001 prosecutions is that, despite the plain language, since 1962, a number of federal courts have read the plain language of Section 1001 as containing an "exculpatory no" defense. So, when a witness provides false testimony, these courts say no crime was committed. The various courts that recognize this

defense can't seem to agree with others on the rationale. However, according to the Ninth Circuit Court of Appeals, a "good investigator will expect the accused to lie . . . ." Therefore, the false statements "will not impair the agency's criminal investigation." *United States v. Myers*, 878 F.2d 1142, 1143 (9th Cir. 1989).

This whole matter of countenancing lies to federal agents is fundamentally wrong and way out of hand. It now even extends, according to the Court of Appeals, to a *due process* right for federal employees to lie. *King v. Erickson*, 89 F.3d 1575 (Fed. Cir.), *cert. granted*, 117 S. Ct. 2506 (1997). The deleterious impact of a due-process right to lie is staggering!

Remember, in the Attorney General's preliminary examination to determine whether to seek an Independent Counsel, she is limited to interviewing witnesses and reviewing documents voluntarily provided. If witnesses have a right to lie with impunity, the Attorney General's preliminary investigation is illusory and may defeat the appointment of the Independent Counsel.

The bright spot on the horizon may be on December 2, 1997, when the Supreme Court will hear back-to-back arguments on whether there is an "exculpatory no" doctrine in 18 U.S.C. § 1001, *Brogan v. United States*, 104 F.3d 350, *cert. granted*, 117 S. Ct. 2430 (1997) and on whether the due process clause gives federal employees a right to lie, *King v. Erickson*, 89 F.3d at 1575. I have high hopes that the Supreme Court will set it right.

Lying not only misleads the investigation – it impedes and delays ongoing investigations. In a case I tried in New Orleans entitled *United States v. Ferrouillet, et al.*, we were able to quantify the impeding effect of the defendant's lies. It was 8 months. Ferrouillet was

a New Orleans lawyer who had managed the efforts to retire Henry Espy's campaign debt. Our investigators approached him about six months into our investigation to inquire about the source of $20,000 cash that had been deposited in the Henry Espy campaign debt retirement account.

Ferrouillet told our investigators about some fundraisers he held, and said the cash came from various individuals who gave varying amounts of cash -- between $250 and $500. He gave us a list of 46 names and amounts. We had no reason to disbelieve Ferrouillet, and accepted his explanation for the moment and turned our attention elsewhere. It was not until eight months later, after a considerable amount of effort looking into lots of dry holes, and while examining campaign contributions from Crop Growers Insurance Corp., a Montana-based company with matters before the USDA, that we learned the true source of the $20,000 cash was a $20,000 check from Crop Growers to Ferrouillet, recorded as a legal retainer. That "retainer" check did not appear on the law firm's books. Neither Ferrouillet nor his firm ever performed any legal services. Ferrouillet cashed this check at a grocery store in Algiers, Louisiana, which did not file a CTR, then "smurfed" the money into the campaign account in three separate cash deposits. We indicted Ferrouillet and Crop Growers' Chairman John Hemmingson for -- and convicted them of -- taking the $20,000 by fraud, and money laundering. Ferrouillet was also charged with -- and convicted of -- false statements to our investigators concerning the source of the cash.

The career prosecutors and agents in my office, including those acting in an advisory capacity, are uniformly of the belief that there is more lying, perjury, and obstructive behavior in the investigative stage of Independent Counsel cases than in ordinary white collar cases. One can only speculate as to the reasons, but one explanation might be that, in Independent Counsel investigations, the witnesses are often

people whose entire existence revolves around the swirl of politics, and in an environment where it is far too tempting to put a glib, self-serving spin on responses to questions. Whatever the reason, the lie translates to more delay, more false trails, and more and greater investigative effort and time.

Another factor contributing to the delay of Independent Counsel investigations, absent from most DOJ prosecutions, is that persons resisting an Independent Counsel investigation see the question of the Independent Counsel's jurisdiction as a productive avenue for delaying tactics.

DOJ investigations are rarely resisted on jurisdictional bases at the grand jury level, while Independent Counsel investigations are frequently challenged. Where the challenge is to a grand jury subpoena duces tecum, that means the documents are not produced until that challenge is resolved. Where the ruling is not made promptly, but lengthens into weeks and/or months, the ability to conduct an orderly and deliberate examination is destroyed. Without the documents, witness interviews are delayed. Agents and lawyers assigned to review the subpoenaed materials, and who were anticipating their immediate receipt, now need to turn their attention and efforts elsewhere. When, after court order, the documents are ultimately obtained, those agents who had the learning curve on this area may have been reassigned to some other project and not available. Now, new agents and lawyers may have to be assigned to start from ground zero. If there is a jurisdictional dispute between the Independent Counsel and DOJ, and that dispute becomes public, the problem is exacerbated.

As the Special Division noted in its published decision in *In re Espy*, 80 F.3d 501 (D.C. Cir. 1996), in the space of about 14 months, through February 1996, my office's jurisdiction in grand jury matters had been tested by 43 jurisdictional motions. Since then, and through today, the challenges continue and number far beyond the 43 mentioned by the Court.

Given the volume of such motions filed in the investigatory phase of an Independent Counsel's activities, it is not at all surprising that the district courts have experienced delays in deciding pending motions concerning the grand jury's investigation. The delays have averaged around 15 weeks.

One example: Five weeks after my appointment as Independent Counsel, my office, on October 15, 1994, served a grand jury subpoena *duces tecum* on the White House. The White House issued a press release on the subpoena, saying "We will cooperate." Three years later, we still do not have all the documents, even those the Court of Appeals ruled on June 17, 1997 should be turned over to us.

Up to this time, my observations have concerned exclusively the investigative stage. I would now like to briefly mention the prosecutive stage, which is the time between filing of the indictment through trial and completion of appeals.

Once an indictment is returned, there is little the government attorney can do, whether DOJ or Independent Counsel, beyond requesting as early a trial date as the court's calendar permits. The prosecutor is captive to the court's calendar, and the court is usually deferential to defense counsels' requests.

It is the rare white collar case indeed that meets the Speedy Trial Act's command for a trial commencing within 70 days of arraignment. Setting of the trial date is delayed at defense counsel's request because of his stated intention to file numerous dispositive motions. The trial court needs time to consider and decide these matters, and that means delay. The ultimate responsibility, however, for the elapsed time the delay creates, is beyond the control of the prosecutor. It is only in Independent Counsel prosecuted matters that responsibility is cast at the feet of the Independent Counsel. His DOJ counterpart is seldom, if ever, tagged with responsibility.

Delays in trial exact another toll from the Independent Counsel which DOJ doesn't pay. Since the office of the Independent Counsel is a temporary one, its personnel are by definition temporary also. Some of the employees come from within federal service and some come from without. Virtually all the attorneys and investigative agents working on these cases have plans to return somewhere, and their desire is to return sooner rather than later. Consequently, if a case isn't tried expeditiously, there is likely to be turnover in personnel rendering the prosecution not only highly inefficient but significantly more costly. Sometimes the trial court's postponement of trial results in the Independent Counsel's trial team being disbanded. Restaffing the trial team requires redundancy of effort, which adds to the mounting expense. One example: We have a case on the West Coast that was indicted on October 18, 1996. Despite our requests for an early trial at the October 1996 arraignment, and again in February 1997, and again on April 9, 1997, it was not until April 30, 1997 that the court set a trial date -- September 16, 1997. The September 16, 1997 trial date has since

slipped to October 21, 1997 and, again, to October 28, 1997. Let me mention briefly the effect of these delays. First, the original lawyer who we sent to the West Coast in November 1997 to oversee the office we opened for the upcoming trial -- which we then expected would be January 1997 -- was subsequently married. She left the office in July of this year to raise a family. She was an integral part of the trial team in the companion case previously tried in September 1996 here in the District, and she was intimately conversant with the factual and legal issues in the West Coast case.

Because of the trial delays, I had to recast the trial team on three different occasions. If the case delays another month, I may have to do it a fourth time because two different U.S. Attorneys from two different jurisdictions who consented to the detailing of their Assistants to this office want them back. This is understandable -- at the time they consented to the detail, I stated the trials (there are two, as the court severed the indictment) would be finished in October. Now, they may not even start until November. In the meantime, since late July 1997, in preparation for the September trial date, we've had a team of lawyers, agents, and support staff standing at the ready in anticipation of the imminent trial date.

Just as a prosecutor is unable to control the trial's duration and time of sentencing, he is similarly unable to control, or even meaningfully influence, the appellate process. Whether the prosecutor is DOJ or Independent Counsel -- outside of moving for expedited treatment and promptly meeting the briefing schedules -- the number of appeals defendants file and the time to resolve them is something over which the prosecutor has absolutely no control at all.

The difference between DOJ and Independent Counsel is that the latter is charged with somehow being responsible for that time. This is a double-whammy because the Independent Counsel cannot prepare and release his Final Report until the appeals are resolved, and release of the Final Report can be a complicated and time-consuming process.

The Final Report process adds another eight months to two years to Independent Counsel matters. I describe it as a process because the Independent Counsel's statutory obligation to prepare a "final" report setting forth fully and completely a description of the work, including the disposition of all cases brought, is only the first step. 28 U.S.C. § 594(h)(1)(b)

The Special Division is charged with reviewing that report and identifying those individuals who should have the opportunity to comment. 28 U.S.C. § 594(h)(2). After comment, the Independent Counsel then revises the report -- now in final, final form, and gives it to the Government Printing Office. After printing, it is released to the public.

But the matter doesn't end there. After the Final Report is published and released, parties who wish to claim attorneys fees are given 30 days to file applications which, when filed with the Court, are served on the Independent Counsel and on the Attorney General, who separately consider, evaluate, and report their respective findings to the Court within 90 days. 28 U.S.C. § 594(f)(1). Eventually, the issue of attorneys fees is resolved 28 U.S.C. § 594(f)(2). Lastly, the Independent Counsel must package and transfer the office's records to the Archives of the United States in accordance with the procedures of 28 U.S.C. § 594(k). Only then can the office be closed.

When considering whether Independent Counsel matters

really take too long, reflect on these additional tasks not encountered by DOJ before you automatically respond that Independent Counsel investigations take too long.

Conspicuously absent from my remarks today is any discussion about costs of Independent Counsel investigations. The costs of these investigations are tracked and publicly reported on a six-month basis, and they produce some very, very substantial numbers. My topic is tough enough without also trying to explain the very substantial costs that accompany these investigations. That's for another day. I do want to note that costs are a linear extension directly proportional to the length of the investigation. The more delays, the longer the investigation and the greater the costs.

Independent Counsel investigations explore alleged corruption at the highest levels of government because of the perception that the Executive Branch cannot be trusted to investigate itself. These are important investigations – and they do take a long time – but, given the myriad tasks required, and the number of players, do they take too long? In 1993, Attorney General Reno testified before the Senate in support of the reenactment of the Independent Counsel Statute, which had then lapsed. I agree with her observations:

> "The reason that I support the concept of an Independent Counsel with statutory independence is that there is an inherent conflict whenever senior Executive Branch officials are to be

investigated by the Department and its appointed head, the Attorney General. The Attorney General serves at the pleasure of the President."

TO REAUTHORIZE THE INDEPENDENT COUNSEL LAW FOR AN ADDITIONAL 5 YEARS, AND FOR OTHER PURPOSES: Hearing on S. 24 Before The Committee On Governmental Affairs, United States Senate, 103rd Cong. 103-437 (1993) (Statement of Hon. Janet Reno, Attorney General, U.S. Department of Justice)

Thank you.

Mr. COX. And at this point I would yield to my colleague from California, Mr. Horn.

Mr. HORN. Thank you, Mr. Cox.

As we closed out the last interrogatories, I mentioned In re Sealed case—and I wasn't quite clear whether you received any of the 86 documents involved in this case from the White House; have you?

Mr. SMALTZ. No, not yet.

Mr. HORN. And when was that court decision made?

Mr. SMALTZ. I want to say June 1997.

Mr. HORN. So we are almost a half a year now. We are at the half-year mark. What can you do to compel the White House to agree and submit to a ruling of the Article III judiciary?

Mr. SMALTZ. I think we've done everything we can. And we have motions pending before the appropriate tribunal and we're just waiting for rulings.

Mr. HORN. Now, is that the Supreme Court?

Mr. SMALTZ. No, sir, it is not. It is back down at the trial court level.

Mr. HORN. The decision required you to retry that?

Mr. SMALTZ. No, we don't have to retry it. The circuit said we were entitled to certain information, we have yet to receive that information, and that we're entitled to make a showing as to the other documents, which we have not done yet because we're waiting the documents or the information the circuit said we're entitled to.

Mr. HORN. The U.S. District Court of Appeals is probably the second most highest court in the land. And your treatment reminds me of what Andrew Jackson said about John Marshall when Marshall and the Supreme Court sided with the Cherokees. He said, "Marshall made his decision. Let him try to enforce it." You are totally dependent upon the executive branch to enforce a court order.

Now, here we have the highest level, the executive branch, the White House. They lost the case 3–0 at the appellate level. They have not turned over the documents. They are in defiance of the law and in defiance of the Constitution; are they not?

Mr. SMALTZ. We think we're entitled to the information that the circuit said we are so that then we can attempt to make the requisite showing to obtain the rest.

Mr. HORN. And it is essential to your case; is it not?

Mr. SMALTZ. Well, until we see it, we think it is but we haven't seen it, so we don't know.

Mr. HORN. You would think they would quit protecting their political appointees when they were found with their hand more than in the cookie jar.

Mr. BURTON. The gentleman's time has expired. Mr. Sununu has arrived I see. He has 5 minutes.

Mr. SUNUNU. Mr. Chairman, I would be happy to yield my time to Mr. Horn.

Mr. HORN. Well, I think we have covered it. I guess I don't know what else you can do except have the frustration we all have when we are stiffed.

As I said earlier today, this committee has been stiffed for 5 solid years on documents. Whether it be Democratic or Republican, the

White House simply hasn't produced. And yet the law is very clear, when so many members of the committee and the minority, they can demand records out of the executive branch. Well, they just thumbed their nose at that in the 103d Congress. We are now in the 105th and we are still dragging along here.

And if you have any insights as an independent counsel, we would sure welcome them on what process we need to do to get the law obeyed by lawyers in the White House. Do we get the American Bar to say, gee, fellas, you are not professionals anymore; let's yank your law, whatever? Except those are handled at the State level generally. Or could the Federal court say, deliver that stuff or you can't practice before us?

What unique little options can you think of to get the law obeyed?

Mr. SMALTZ. Ordinarily, when the court issues an order to produce documents and the party doesn't do so, the option is to move to hold the party in contempt.

Mr. HORN. Do you plan to do that?

Mr. SMALTZ. I'm not sure. I'm not sure. We're trying to wrap up our investigation. We have three prosecutions. We have some more avenues to pursue. And I'm not sure what we're going to do with that at this point in time. But that is an option.

Mr. HORN. My last question would be, do any of you ex-independent counsels and you current independent counsels ever get together and share war stories, and can we learn something from that as to the culture within the Department of Justice regardless of administration?

Mr. SMALTZ. The answer to your question is before I—right after I was sworn in, I spoke to four—three independent counsels, or former independent counsels, and was trying to get their sense of what the problems were, No. 1.

No. 2, I think it is important that independent counsels, to the extent they can, exchange information to see what common issues or problems they are facing. No. 3, at some point in time, and I'll probably do this in our final report, I think we're going to recommend that there be something—there be a body of knowledge, institutional knowledge, on independent counsel and independent counsel problems so that when somebody is sworn into the independent counsel jobs he or she knows the nature of the problems they might well be facing. So I think it is probably a good idea if the independent counsels among themselves discuss those common problems that they have and possible solutions to them.

Mr. HORN. It would make an excellent law school panel that C–Span could cover and you could get a book out of it.

Mr. SMALTZ. I don't have time to write a book.

Mr. HORN. I know. But you might some day if you can convict the rest of them. Thank you.

Mr. BURTON. Does the gentleman yield back the balance of his time?

Mr. SUNUNU. I yield back the balance of my time.

Mr. BURTON. The gentleman yields back the balance of his time. We have concluded.

I think, Mr. Lantos, I believe you have a unanimous consent request?

Mr. LANTOS. Yes, Mr. Chairman.

A few moments ago Mr. DeVoss of Amway sent a letter via Mr. Mica, which is part of the record. I would like to request that a White House memorandum from Michael Dever to the President, dated March 2, 1981, be made part of the record, which spells out the $3.350 million Mr. DeVoss was asked to raise.

Mr. BARR. Reserving the right to object, may I see the document?

Mr. BURTON. He reserves the right to object. May he see the document, please?

Mr. LANTOS. Yes, he may see the document.

Mr. BURTON. Here is an addition to that document if you would like to look at it, Mr. Barr.

Mr. LANTOS. They are from the Reagan archives.

Mr. BARR. Does the gentleman have information indicating where the phone call was to be made?

Mr. BURTON. You mean where it was made from?

Mr. BARR. Well, this is recommending that a phone call be made.

Mr. LANTOS. Yes. If I may answer my colleague, Mr. Chairman.

Mr. BURTON. Without objection.

Mr. LANTOS. The letter that Mr. Mica submitted on Amway letterhead, dated December 10 and signed by Richard M. DeVos, reads as follows:

"Dear Mr. Chairman," this is to Mr. Burton,

It is my understanding that yesterday Congressman Tom Lantos, Democrat California, made the following statement: "I would like the record to show that President Reagan made fund-raising calls from both the White House and from Camp David. These calls included the direct solicitation of Richard DeVos, President of Amway, asking him to raise $3,350,000."

I would like to correct the record. Like most Americans, I certainly remember a telephone call from the President of the United States. The telephone call, that I believe Mr. Lantos is referring to, was not to solicit any money from me personally. President Reagan called to ask me to serve as Chairman of the Republican Party's Finance Committee which I was very honored to do. During this telephone call, I do not remember his mentioning any amount of money the Committee needed to raise.

Et cetera.

The memo from Mr. Dever to President Reagan tells the President that he should ask DeVos to get another 335 Eagles. Eagles contribute $10,000. If my arithmetic is correct, that is $3.350 million.

Mr. COX. Would my colleague yield, Mr. Barr?

Mr. BARR. Yes.

Mr. COX. Because I have that memo in front of me and it does not say anything about 335 Eagles.

Mr. LANTOS. Yes, it does.

Mr. COX. Is it the other document?

Mr. LANTOS. Well, there are two documents and I think my colleague has them both.

Mr. BURTON. Would the gentleman yield?

Mr. COX. I thank the gentleman.

Back to your original question, Mr. Barr.

Mr. LANTOS. If I may read the memo to help my friend.

Mr. COX. The question I think is pending on Mr. Barr's time, is whether or not you have any information about from where the call was made?

Mr. LANTOS. Well, my understanding is that these calls were made from the White House. I do not recall——

Mr. BARR. As I recall, the answer is "no."

Mr. LANTOS. No, the answer is not "no." This is on White House stationery.

Mr. COX. That was recommending the calls should be made, not where it should be made from.

Mr. BARR. I object to the introduction.

Mr. BURTON. Mr. Barr objects. The objection is heard. The document will not be included.

That may cause me a little problem with this next request. I have a unanimous consent to add two documents to the record.

Mr. LANTOS. I object.

Mr. BURTON. I have a sneaking suspicions that I am not going to get that done. Since we do not have a quorum here, we will have to deal with this at a later date.

I want to thank you, Mr. Smaltz, very much for your patience and for being able to compose yourself as you have under some pretty dire circumstances. I think you are a credit to your profession, and I think you have given us a great deal of information that is going to be useful in our investigation. And I want to thank you for being with us.

Mr. COX. Mr. Chairman.

Mr. BURTON. Mr. Cox.

Mr. COX. Mr. Chairman, before you bang the gavel, might I make another unanimous consent request that all the documents that you and the ranking member have just referred to be admitted for the record?

Mr. LANTOS. I am sorry, I didn't hear.

Mr. BURTON. He is asking that all the documents, including yours, be submitted for the record.

Mr. BARR. Reserving the right to object, if the gentleman could just enlighten me as to the purpose of that? Does the gentleman from California want the documents that we just referred to introduced?

Mr. COX. Yes. We have all read them and discussed them on the record. I see no reason not to include them.

Mr. BARR. If our side does not object, I certainly will not impose an objection.

Mr. BURTON. Is there objection?

Mr. LANTOS. No objection.

Mr. BURTON. Without objection, so ordered.

[The information referred to by Hon. Tom Lantos and Hon. Dan Burton follows:]

038221
4200
PR007.02
PL005.04
PR001

THE WHITE HOUSE
WASHINGTON

PRESIDENTIAL TELEPHONE CALL 2 MARCH 1981

TO: THE PRESIDENT

VIA: MICHAEL K. DEAVER

FROM: GREGORY ~~J~~ NEWELL

SUBJ: RECOMMENDED TELEPHONE CALL.

TO: Richard M. DeVos, Sr.
President of Amway Corporation
(305) 786-1603

DATE: Monday, 2 March, 1981

PURPOSE: Thank him for accepting the position of RNC Finance Chairman, and challenge him to increase the number of Eagles ($10,000-a-year contributors).

BACKGROUND: As chairman of the Republican Congressional Leadership Council, DeVos helped raise over $785,000 in six months in 1980 for Republican House candidates.

Also during the campaign DeVos and his partner, Jay VanAndel, spent over $160,000 in private expenditures.

You met DeVos and his partner VanAndel on June 14, the day after the California unity dinner.

Former Finance Chairman Joe Rodgers has done an excellent job in building the program. We now have about 865 Eagles. DeVos, a superb salesman, would enjoy being challenged by you to increase the number of Eagles to 1,200.

cc: J. Canzeri

PRESIDENTIAL TELEPHONE CALL

TO: THE PRESIDENT

FROM: GREGORY J. NEWELL
VIA: SALLY MONTGOMERY

SUBJ: RECOMMENDED TELEPHONE CALL

TO: Richard M. DeVos, Sr.
President of Amway (616) 676-6222

DATE: February 27, 1981 (after 2:30)

PURPOSE: Thank you for accepting the position of RNC Finance Chairman

BACKGROUND: Devos is an excellent salesman and would enjoy a challenge from the President to increase the number of Eagles ($10,000 a year contributors)

Former Finance Chairman, Joe Rodgers, has done a supurb job of building the program. We now have about 865 Eagles. With your skill we know you could increase the number of Eagles to 1200 (or 1600).

MEMORANDUM TO: The President

FROM:

DATE: February 26, 1981

SUBJECT: Telephone Call to Rich DeVos
616-676-6222

BACKGROUND: I have asked Richard (Rich) M. DeVos, President and Co-founder of Amway Corporation, and presently Chairman of the Republican Congressional Leadership Council, to replace Joe Rogers who has resigned as Chairman of the National Republican Finance Committee.

As you know, the Finance Committee and its chairman are responsible for all the fund-raising activities of the National Republican Committee. This is a most important position.

As Chairman of the RCLC, Rich and RCLC members raised over $785,000 in six months last year for Republican House candidates. Also during the election, Mr. DeVos and his partner, Jay VanAndel, spent over $160,000 in private expenditures. You met Mr. DeVos at a meeting with him and his partner, Mr. VanAndel, on June 14, the day after the California unity dinner.

RECOMMENDATION: Recommend that you call Rich DeVos and ask him to accept the position as Chairman of the National Republican Finance Committee.

after 2:30 pm

Sally

February 26, 2:45 p.m.

Dick Richards called with information about the Richard DeVos phone call.

Who:

Richard M. DeVos Sr., president of Amway, (616) 676-6222

Background:

DeVos has already agreed to serve as RNC finance chairman.

President has traditionally phoned the finance chairman.

DeVos is a super salesman and would enjoy getting a challenge from the President to increase the number of Eagles (who contribute $10,000 a year).

Suggested Talking Points:

Thank you for accepting.

Joe Rogers has done a superb job of building the program. We now have about 865 Eagles. With your skill we know you could increase the number of Eagles to 1200 (or 1600).

Followup:

Richards would like to be notified after the call is made so that the RNC can put out a release. (He thinks it's appropriate they issue it.)

If you have any questions, call Dick Richards, 484-6700.

I ask unanimous consent to amend yesterday's unanimous consent regarding the release of depositions to include the depositions of John Philips and Mickey Kantor to be made part of the record. These depositions will also be forwarded to the appropriate law enforcement agency.

NORA AND GENE LUM

We have some questions for the Attorney General and Director Freeh on Nora and Gene Lum that we want to submit for the record and make the attached records part of the public record. As you will recall earlier this year we received a proffer from the Lums and as we have developed new information on the Lums we would like to get more input from the Justice Department on these matters.

NORA AND GENE LUM INVESTIGATION

BACKGROUND

During 1994 and 1995, under the leadership of former Chairman William F. Clinger, this Committee conducted an extensive investigation of the financial affairs of then Secretary of Commerce Ronald H. Brown. That investigation developed sufficient information to cause Attorney General Reno to initiate a Department of Justice investigation under the Independent Counsel Act and to subsequently recommend the appointment of an Independent Counsel (Daniel Pearson).

Following Mr. Pearson's appointment, the Committee cooperated fully with the Independent Counsel's investigators, including allowing them to review and copy most of the evidentiary documents developed during the Committee's investigation. Included in those documents was information pertaining to alleged questionable activities, and possible illegal acts, committed by Nora and Gene Lum.

Following Secretary Brown's tragic death, the work of the Independent Counsel was referred to the Department of Justice. Finally, just this past summer , the Lums entered a guilty plea to conspiracy to defraud the United States and to cause the submission of false statements in a matter within the jurisdiction of the Federal Election Commission, in violation of 18 U.S.C. 371. The Lums were sentenced to 10 months of confinement and fined $30,000 each. In exchange for their future cooperation with DOJ's ongoing campaign finance investigation, the Lums were given limited immunity covering other illegal acts then known by DOJ, except for any tax-related offenses and certain wire transfers of funds in December 1994 or January 1995.

The Committee is also investigating the Lums activities, in particular, those activities involving possible violations of the campaign finance statutes. As you know, the Lums, through their attorneys, have given the Committee a hypothetical proffer that outlines several areas that they would be willing to discuss under a grant of immunity from future prosecution. The Department of Justice has notified the Committee that it opposes the granting of immunity to the Lums, despite the fact that the Department immunized the Lums in order to obtain their guilty plea last summer.

QUESTIONS FOR THE ATTORNEY GENERAL:

1. The Lums were sentenced on September 9, 1997. Are they currently serving in confinement pursuant to that sentence? If so, where are they serving? If not, why? When will they begin to serve their sentence?

2. The Committee is particularly interested in the Lum's activities with regard to an organization they founded in late California in late 1992 called the Asian Pacific Advisory Council (APAC). APAC was created with the encouragement and support of former Democratic National Committee Chair Ron Brown. Then-presidential candidate, Bill Clinton sent a letter of support. Indeed, APAC was publicly touted to be an affiliate of the Democratic National Committee. I have summaries of the APAC bank account that seems to show that most of the funds raised by APAC were converted to the Lums personal use.

a. Is the Department of Justice looking at this matter?

b. Does the DOJ have these documents? If so, when did you receive them? If you do not have these documents, we will be happy to share them with you.

c. Is the Department of Justice aware that most of the money raised by APAC was from donors who thought they were contributing to the Clinton-Gore campaign and were in the form of contributions made payable to the Democratic National Committee? (At least 102 contributors donated less than $1,000. Most of these donations were for $125 or less).

d. Is DOJ aware that checks totaling at least $159,990.21 written on the APAC account that were payable to a Lum owned companies -- CPI, Inc. and Akahi Joint Venture?

e. Will the grant of immunity provided by DOJ to the Lums exempt them from prosecution should it be determined they did in fact convert the APAC funds to their personal use?

f. The APAC funds were held in a bank account entitled Democratic National Committee -- Asian Pacific Advisory Council. All of the contributions appear to be made payable to the "Democratic National Committee". If the DNC here in Washington had no knowledge of this activity, would it be a violation of law to use its name for the purpose of soliciting political contributions? Conversely, if the DNC here in Washington was aware of this activity and permitted the establishment of this special "off the record" account, would that be a violation of law?

g. Why are you opposed to the Committee providing immunity to the Lums that would be identical in scope to that already provided by DOJ?

h. Did you ever have any discussions with former Assistant Attorney General Hubbell about Nora and Gene Lum? If so, when did this occur and what was said? Do you know if anyone else at the Department had any such contacts?

i. Did you ever have any discussions with the White House Counsel or any other employee of the White House regarding Nora and Gene Lum? If so, with whom? When did that occur and what was said?

QUESTIONS FOR DIRECTOR FREEH

1. Isn't it true that the Lums were investigated by the FBI in 1992 and 1993 as a part of the Bureaus investigation into allegations of political corruption in Hawaii? What was the disposition of that investigation with regard to the Lums?

2. Isn't it true that the Bureau's Hawaii investigation was ongoing at the time the Lums set up APAC? Did you or anyone at the FBI notify the Attorney General, Ron Brown, or anyone at the Clinton-Gore 1992 campaign and Democratic National Committee of this fact?

3. Isn't it true that the Lums were also investigated as a part of the Bureau's investigation into political corruption in Oklahoma during 1993 and 1994? What was the disposition of that case with regard to the Lums?

4. Did you ever have any discussions with former Assistant Attorney General Hubbell about Nora and Gene Lum? If so, when and what was said?

5. Did you ever have any discussions with the Attorney General, White House Counsel, or any employee of the White House regarding Nora and Gene Lum? If so, with whom? When did this occur and what was said? Do you know if anyone else at the FBI had such contacts?

6. When do you expect to be finished with the Lum investigation? How many agents are assigned to this investigation?

ASIAN PACIFIC ADVISORY COUNCIL (APAC)

SUMMARY OF BANK ACCOUNT AT SANWA BANK

DEPOSITS:

SUBTOTAL: Contributions of less than $1,000 (102 separate donations)	**$11,630**	
Contributions of $1,000 or more:		
Mary Rose J. Ezpeleta and/or Mariano L. Ezpeleta	$5,000	
Steve Sakane Enterprises	$1,000	Check made out to Larry Wong and endorsed to APAC.
Cal Kona Group, Inc. (dba: Travel Be)	$1,250	
Audio Motoring Accessories Co.	$1,000	
Metrosound	$30,000	Payable to Nora and Gene Lum, deposited in APAC account.
J.H. Lee and/or B.S. Lee	$1,000	
Respiratory Care Practitioners, Inc.	$1,000	
Steve Sakane Enterprises	$25,000	
Caltek Electronics	$3,000	
Caltek Electronics	$1,000	
Acoustic Design Inc.	$10,000	
Meterosound	$1,000	
John Huang	$2,500	
Kyu Hyum Kim and/or Woon Jin Kim	$10,000	
Brian Sung Yun Kim	$2,500	
David C. Tseng	$1,000	
Audio Motoring Accessories Co.	$1,000	
Shan Thever	$1,000	
Yang U. Kim	$25,000	Cashiers check.
Metrosound USA	$25,000	Cashiers check.
Larry Wong	$1,000	Cashiers check.
SUBTOTAL: Contributions of $1,000 or more (21 separate donations)	**$149,250**	
TOTAL DEPOSITS:	**$160,880**	Based on data known as of December 5, 1997.

ASIAN PACIFIC ADVISORY COUNCIL (APAC)

SUMMARY OF BANK ACCOUNT AT SANWA BANK

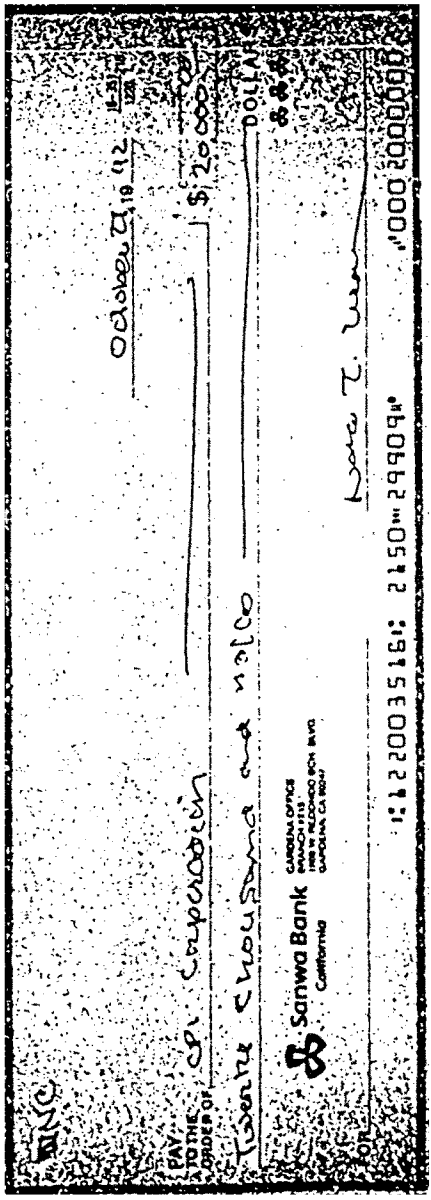
DISBURSEMENTS:

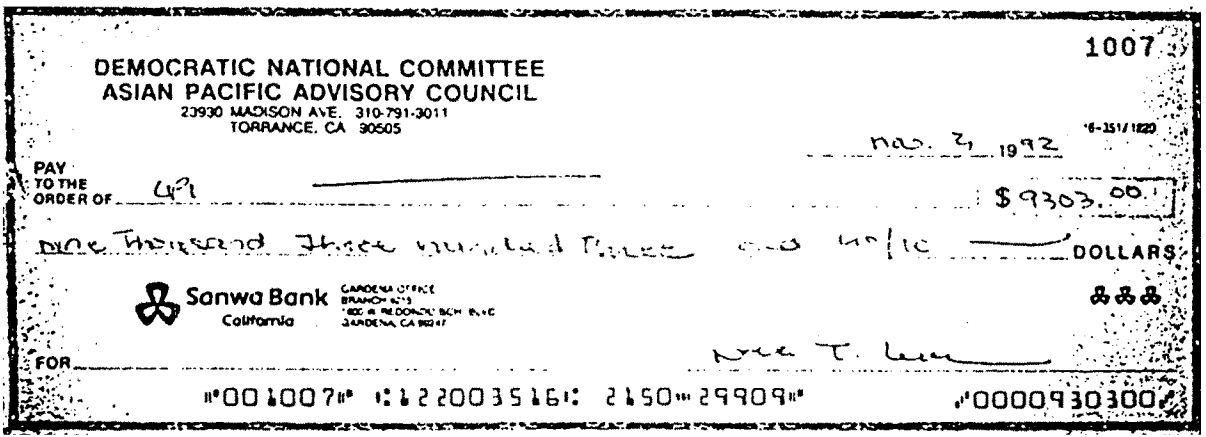
SUBTOTAL: Less than $1,000 (18 separate disbursements)	**$9,732.53**	
Disbursements of $1,000 or more:		
GTE	$1,637.72	
Holiday Inn	$2,426.71	
Larry Wong	$2,010.00	"Printing and car rental"
Radisson Plaza Hotel	$10,850.32	Endorsed by hotel to David Tseng
David Tseng	$3,500.00	On 10/27/92
David Tseng	$3,500.00	On 11/2/92
David Tseng	$1,008.78	"Airfare & Hotel in SF"
Stationery Place	$1,991.80	
CPI	$20,000.00	10/27/92 -- CPI, Inc. is a company owned by the Lums.
CPI	$9,303.00	11/2/92
CPI	$14,385.00	11/2/92
CPI	$12,500.00	11/10/92
CPI	$14,000.00	11/16/92 "repayment"
CPI	$25,000.00	12/12/92
CPI	$3,100.00	12/15/92 "Inaugural Banquet"
Nora Lum	$1,500.00	
Akahi Joint Venture	$30,000.00	1/14/93 "Presidential Inaugural" Akahi Joint Venture is a Lum company.
CPI	$30,000.00	1/26/93
CPI	$202.21	2/10/93 Account closed with this disbursement.
SUBTOTAL: Disbursements of $1,000 or more:	**$186,915.54**	
TOTAL DISBURSEMENTS:	**$196,648.07**	Based on data known as of 12/5/97

NOTES:

Total disbursements to the Lums or Lum owned companies -- $159,990.21

According to data received as of December 5, 1997, disbursements exceed deposits by $35,768.07. Sanwa Bank is double checking the accuracy of their document production.


PAY TO THE ORDER OF
Twenty Thousand and no/100
DOLLARS
Sanwa Bank
California
GARDENA OFFICE
BRANCH 1215
1888 W. REDONDO BCH. BLVD.
GARDENA, CA 90247
FOR
⑆122003516⑆ 2150⑈29909⑈ ⑈0002000000



1007

DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
23930 MADISON AVE. 310-791-3011
TORRANCE, CA 90505

16-351/1220

Nov. 3, 1992

PAY TO THE ORDER OF 49 $9303.00

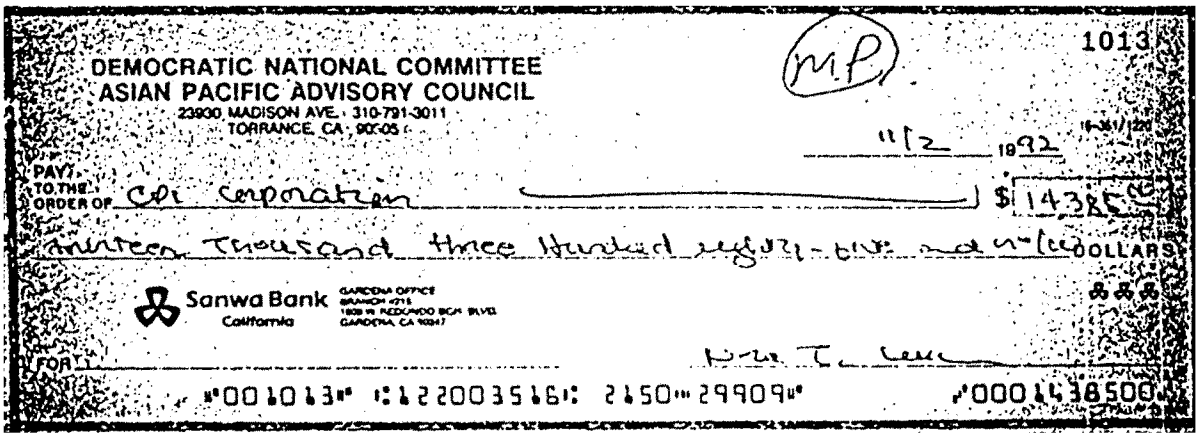
One Thousand Three Hundred Three and 40/100 DOLLARS

Sanwa Bank California
GARDENA OFFICE
BRANCH 6215
1800 W. REDONDO BCH. BLVD.
GARDENA, CA 90247

FOR Nee T. Lee

⑈001007⑈ ⑆122003516⑆ 2150⑈29909⑈ ⑈0000930300⑈

1013



DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
23930 MADISON AVE. 310-791-3011
TORRANCE, CA 90505

(M.P.)

11/2 1992

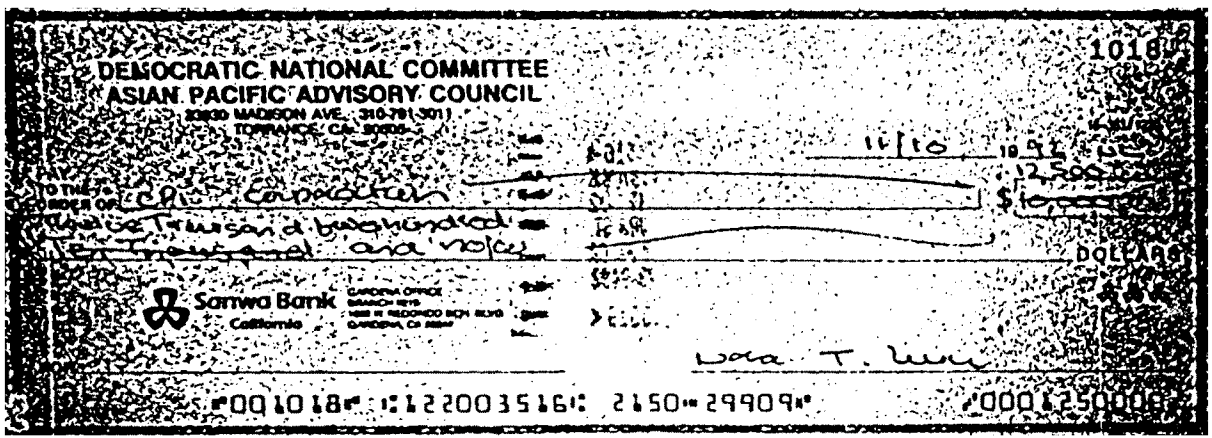
PAY TO THE ORDER OF CPI corporation $ 14385.00

Fourteen Thousand three Hundred eighty-five and no/100 DOLLARS

Sanwa Bank California
GARDENA OFFICE
BRANCH #215
1809 W. REDONDO BCH. BLVD.
GARDENA, CA 90247

FOR

⑈001013⑈ ⑆122003516⑆ 2150⑉29909⑈ ⑈0001438500⑈



1018

DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
23830 MADISON AVE. 310-791-3011
TORRANCE, CA 90505

11/10 1992

TO THE ORDER OF CPI Corporation

12,500

$ 10,000

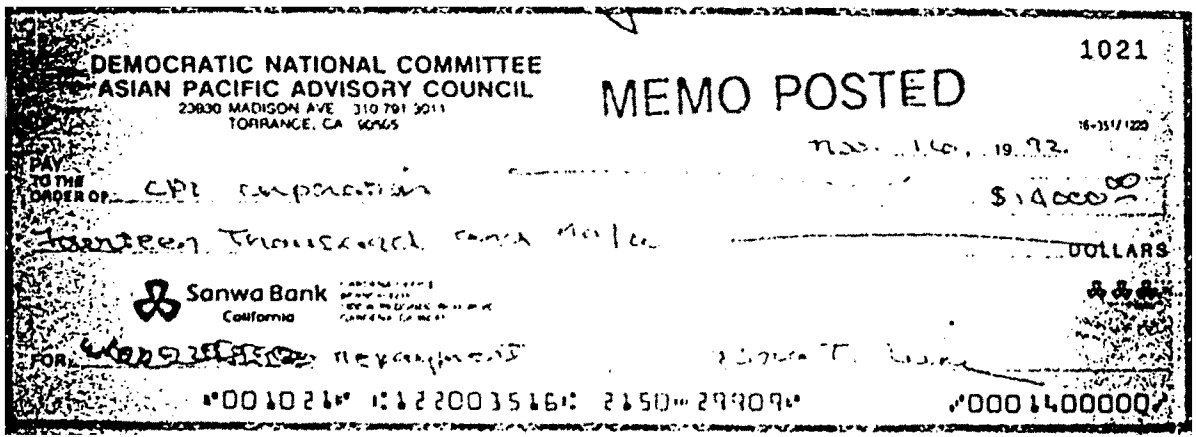
Twelve Thousand two hundred
Ten Thousand and no/cu

DOLLARS

Sanwa Bank California
GARDENA OFFICE
BRANCH KEYS
1888 W. REDONDO BCH. BLVD.
GARDENA, CA 90247

Nora T. Lum

⑈001018⑈ ⑆122003516⑆ 2150⑈29909⑈ ⑈0001250000⑈



DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
23830 MADISON AVE 310 791 3011
TORRANCE, CA 90505

1021

MEMO POSTED

16-351/1220

Nov. 16, 19 92.

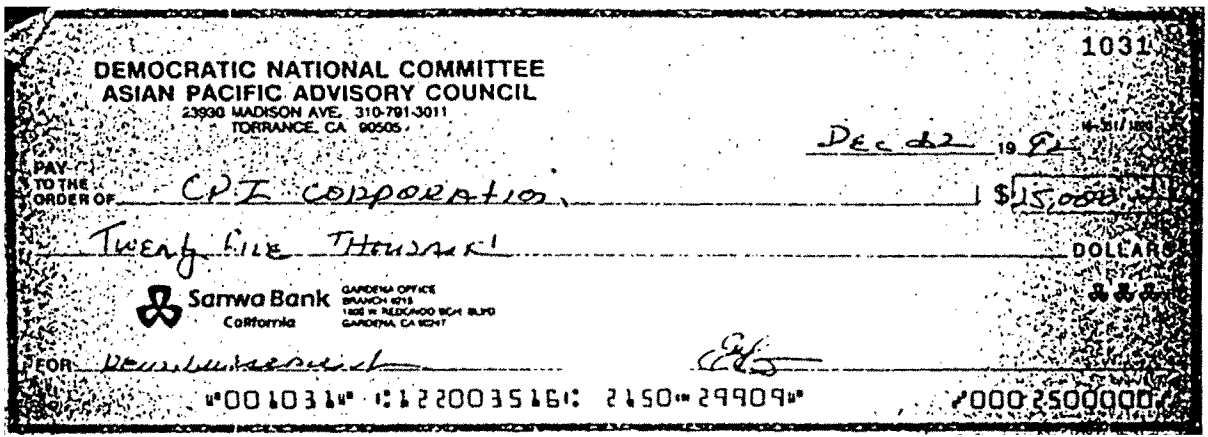
PAY TO THE ORDER OF CPI corporation $14000.00

Fourteen Thousand and no/100 DOLLARS

Sanwa Bank
California

FOR [illegible] Repayment

⑈001021⑈ ⑆122003516⑆ 2150⑈29909⑈ ⑈0001400000⑈



1031

DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
23930 MADISON AVE. 310-791-3011
TORRANCE, CA 90505

Dec 22 19 92

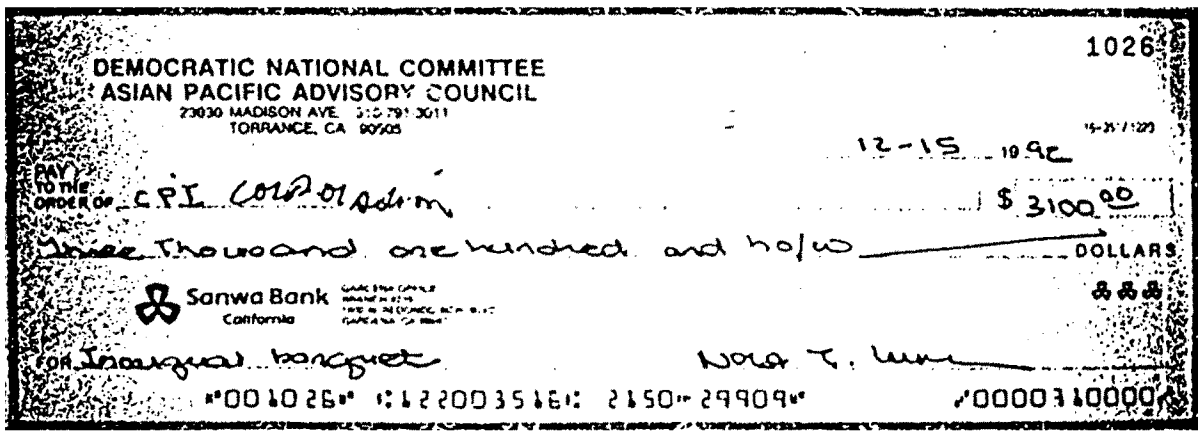
PAY TO THE ORDER OF CPF corporation $ 15,000.00

Twenty five Thousand DOLLARS

Sanwa Bank California
GARDENA OFFICE
BRANCH #213
1600 W. REDONDO BCH. BLVD.
GARDENA, CA 90247

FOR Reimbursement

⑈001031⑈ ⑆122003516⑆ 2150⑈29909⑈ ⑈0002500000⑈



DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
23030 MADISON AVE. [illegible]
TORRANCE, CA 90505

1026

12-15 1992

PAY TO THE ORDER OF CPIL Corporation $ 3100.00

Three Thousand one hundred and no/100 DOLLARS

Sanwa Bank California

FOR Inaugural banquet Nora T. Lum

⑈001026⑈ ⑆122003516⑆ 2150⑈29909⑈ ⑈0000310000⑈

1029

DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
23930 MADISON AVE. 310-791-3011
TORRANCE, CA 90505

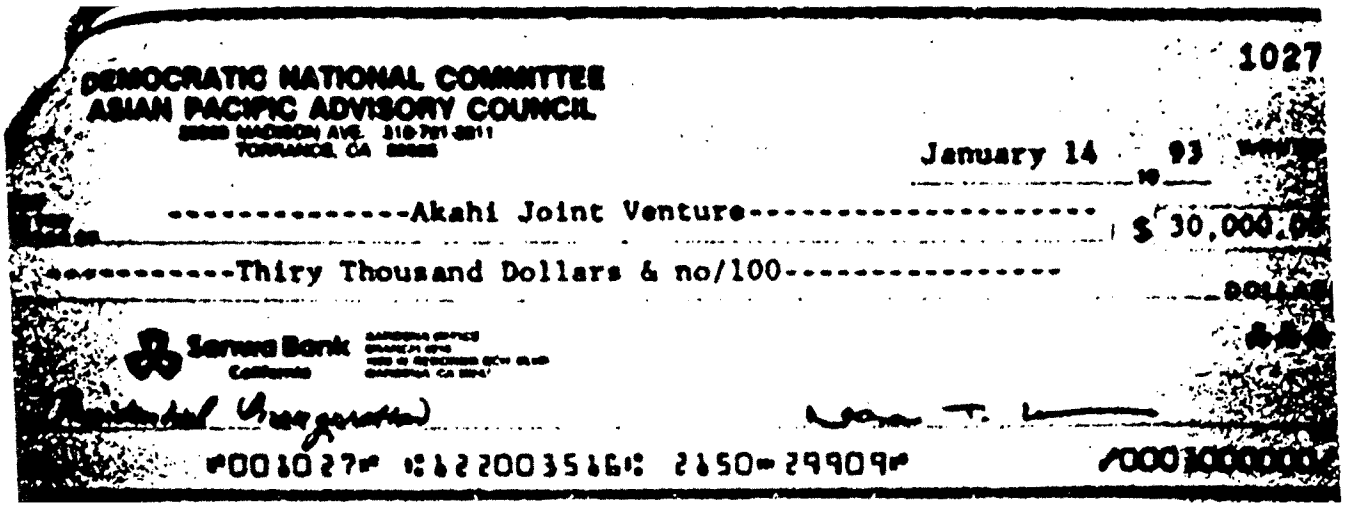
MEMO POSTED Dec. 18 1992

PAY TO THE ORDER OF Kora Tailing $ 1500.00

Fifteen hundred + 00/100 DOLLARS

Sanwa Bank California
GARDENA OFFICE
BRANCH #619
1806 W. REDONDO BCH. BLVD.
GARDENA, CA 90247

⑈001029⑈ ⑆122003516⑆ 2150⑈29909⑈ 0000150000



DEMOCRATIC NATIONAL COMMITTEE
ASIAN PACIFIC ADVISORY COUNCIL
[illegible] MADISON AVE. 310-781-[illegible]
TORRANCE, CA [illegible]

1027

January 14 19 93

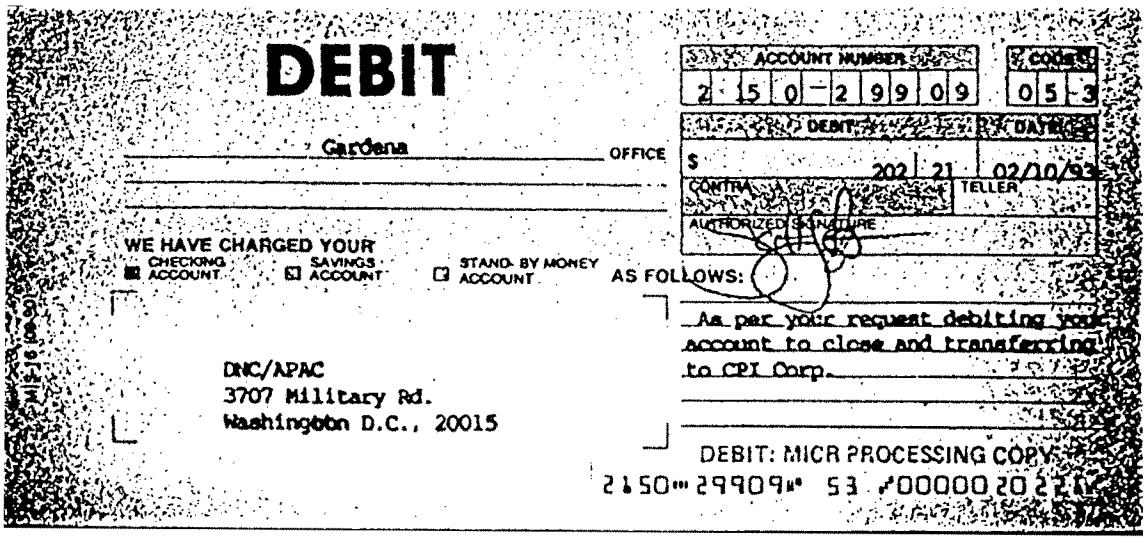
----------Akahi Joint Venture---------- $ 30,000.00

----------Thiry Thousand Dollars & no/100---------- DOLLARS

Sanwa Bank California

[illegible]

⑈001027⑈ ⑆122003516⑆ 2150⑉29909⑈ /0001000000/



DEBIT

Gardena OFFICE

ACCOUNT NUMBER: 2 15 0 - 2 9 9 0 9 | CODE: 0 5 3

DEBIT: $ 202 21 | DATE: 02/10/93

CONTRA | TELLER

AUTHORIZED SIGNATURE

WE HAVE CHARGED YOUR
■ CHECKING ACCOUNT ☒ SAVINGS ACCOUNT ☐ STAND-BY MONEY ACCOUNT AS FOLLOWS:

As per your request debiting your account to close and transferring to CPI Corp.

DNC/APAC
3707 Military Rd.
Washington D.C., 20015

DEBIT: MICR PROCESSING COPY

2150 299094 53 000000 20221

DEBIT

Gardena OFFICE

ACCOUNT NUMBER: 2150-29909 | CODE: 053

DEBIT: $ 30,000 00 | DATE: 01/26/93

CONTRA | TELLER

AUTHORIZED SIGNATURE

WE HAVE CHARGED YOUR
☒ CHECKING ACCOUNT ☐ SAVINGS ACCOUNT ☒ STAND-BY MONEY ACCOUNT AS FOLLOWS:

Transfer funds to CPI Corporation

DNC/APAC
3707 Military Rd.
Washington, D.C. 20015

DEBIT MICR PROCESSING COPY

2150-29909 053 0003000000

Mr. BURTON. We are adjourned.

[Whereupon, at 3:05 p.m., the committee was adjourned.]

[The depositions of Holli B. Weymouth, David Mercer, Betty Jane Thornberry, Thomas Franklin McLarty III, Bruce R. Lindsey, C. Douglas Buford, Jr., Mickey Kantor, and John R. Phillips follow:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: HOLLI B. WEYMOUTH

MONDAY, JULY 14, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 10:05 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Uttam Dhillon, Senior Investigative Counsel; Barbara Comstock, Chief Investigative Counsel; Kristi Remington, Investigative Counsel; Miki White, Investigative Attorney; Dale Anderson, Investigative Counsel; Kenneth Ballen, Minority Chief Investigative Counsel; Andrew J. McLaughlin, Minority Counsel; and Michael J. Raphael, Minority Counsel.

For MS. WEYMOUTH:

ROBERT D. LUSKIN, ESQ.
Comey, Boyd & Luskin
1025 Thomas Jefferson Street, N.W.
Suite 420 East
Washington, D.C. 20007-5243
CAROLE J. YANOFSKY, ESQ.
Comey, Boyd & Luskin
1025 Thomas Jefferson Street, N.W.
Suite 420 East
Washington, D.C. 20007-5243

Mr. DHILLON. Let's go on the record.

Good morning, Ms. Weymouth. I would like to begin by thanking you on behalf of the members of the Committee on Government Reform and Oversight for appearing here today. This proceeding is known as a deposition. The person transcribing this proceeding is a House reporter and notary public. I will now request that the reporter place you under oath.

THEREUPON, HOLLI B. WEYMOUTH, a witness, was called for examination by Counsel, and after having been first duly sworn, was examined and testified as follows:

Mr. DHILLON. I would like to note for the record those who are present at the beginning of the deposition. I am Uttam Dhillon, the designated Majority counsel for the committee. I am accompanied today by Kristi Remington, who is with the Majority staff. Mr. Kenneth Ballen is the designated Minority counsel for the committee. Mr. Ballen is accompanied by Mr. Andrew McLaughlin and Mr. Michel Raphael and Mr. Phil Barnett, who are also with the Minority staff. The deponent is represented by Mr. Robert Luskin, and there are no Members present.

Although this proceeding is being held in a somewhat informal atmosphere, because you have been placed under oath, your testimony here today has the same force and effect as if you were testifying before the committee or in a courtroom. If I ask you about conversations you have had in the past, and you were unable to recall the exact words used in the conversation, you may state to me that you are unable to recall those exact words and then you may give me the gist or substance of any such conversation to the best of your recollection.

If you recall only part of a conversation or only part of an event, please give me your best recollection of those events or parts of the conversations that you recall. If I ask you whether you have any information upon a particular subject and you have overheard other persons conversing with each other regarding it or have seen correspondence or documentation regarding it, please tell me that you do have such

information and indicate the source, either a conversation or documentation or otherwise, from which you derived such knowledge.

Before we begin the questioning, I want to give you some background about the investigation and your appearance here.

Pursuant to its authority under House rules X and XI of the House of Representatives, the committee is engaged in a wide ranging review of possible political fundraising improprieties and possible violations of law. Pages 2 through 4 of House Report 105-139, a copy of which you have received, summarizes the investigation as of June 19th, 1997, and encompasses any new matters which arise directly or indirectly in the course of the investigation.

Also, pages 4 through 11 of the report explain the background of the investigation. All questions related either directly or indirectly to these issues or questions which have a tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence are proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167 which passed the full House on June 20th, 1997. Committee rule 20, of which you have received a copy, outlines the ground rules for the deposition.

Majority and Minority committee counsels will ask you questions regarding the subject matter of the investigation. Minority counsel will ask questions after Majority counsel has finished. After the Minority counsel has completed questioning you, a new round of questioning may begin.

Members of Congress who wish to ask questions will be afforded an immediate opportunity to ask their questions. When they are finished, committee counsels will resume questioning.

Pursuant to the committee's rules, you are allowed to have an attorney present to advise you of your rights. Any objection raised during the course of the deposition shall be stated for the record. If the witness is instructed not to answer a question or otherwise refuses to answer a question, Majority and Minority counsel will confer to determine whether the objection is proper. If Majority and Minority counsels agree that a question is proper, the witness will be asked to answer the question. If an objection is not withdrawn, the chairman or member designated by the chairman may decide whether the objection is proper. The deposition will be held open subject to rescheduling for the purpose of resolving any disputed issues.

This deposition is considered as taken in executive session of the committee, which means it may not be made public without the consent of the committee, pursuant to clause 2(k)(7) of House rule XI. You are asked to abide by the Rules of the House and not discuss with anyone, other than your attorney, this deposition and the issues and questions raised during this proceeding.

Finally, no later than 5 days after your testimony is transcribed and you have been notified that the transcript is available, you may submit suggested changes to the chairman.

The transcript will be available for your review at the committee office. Committee staff may make any typographical and technical changes requested by you. Substantive changes, modifications, clarifications, or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement of your reasons for each proposed change.

A letter requesting any substantive changes, modifications, clarifications, or amendments must be signed by you. Any substantive changes, modifications, clarifications, or amendments shall be included as an appendix to the transcript conditioned upon your signing the transcript.

Do you understand everything we have gone over so far?

The WITNESS. Yes.

Mr. DHILLON. Do you have any questions about anything we have gone over so far?

The WITNESS. No.

Mr. DHILLON. Mr. Ballen, I am prepared to begin asking some preliminary questions. Did you have a comment you wanted to make?

Mr. BALLEN. No. Just to put on the record that to the extent that any questions exceed the authorized scope of this committee relating to credible allegations of improper or illegal campaign fund-raising activities, the Minority would object.

Mr. DHILLON. That is noted for the record. Thank you.

Mr. LUSKIN. For the record, may I note that Ms. Weymouth is appearing voluntarily in response to the committee's request for a deposition and did not require a subpoena to enforce her attendance today.

Mr. DHILLON. That is noted for the record, and I think I had a question on that. Thank you very much.

EXAMINATION BY MR. DHILLON:

Question. Now, I will be asking you questions concerning the subject matter of this investigation. Do you understand that?

Answer. Uh-huh.

Question. If you don't understand a question, please say so and I will repeat it or rephrase it so that you understand the question. I sometimes start talking fast, especially if we are getting late in the day. Please tell me if you don't understand a question or if you want me to slow down. Do you understand that?

Answer. Yes.

Question. The reporter will be taking down everything we say and will make a written record of the deposition. You must give verbal, audible answers because the reporter cannot record what a nod of the head or other gestures mean. Do you understand you cannot say "uh-huh" or "huh-uh" and must give audible answers?

Answer. Yes.

Question. If you can't hear me, please say so and I will repeat the question or have the court reporter repeat the question to you. Do you understand that?

Answer. Yes.

Question. If you don't know the answer to a question, simply say you do not know. I do not want you to speculate or guess. Do you understand?

Answer. Yes.

Question. Please wait until I finish each question before answering, and I will wait until you finish your answer before I ask the next question. Do you understand that this will help the reporter make a clear record because she cannot take what we are both saying down at the same time?

Answer. Yes.

Question. Your testimony is being taken under oath, as if we were in court and that if you—if you answer a question, it will be assumed that you understood the question and the answer was intended to be responsive to it. Do you understand that?

Answer. Yes.

Question. Are you here voluntarily or as a result of a subpoena?

Answer. Voluntarily.

Question. Do you have any questions about the deposition before we begin the substantive portion of the proceeding?

Answer. No.

Question. Could you please state your name and spell it for the record?

Answer. Holli, H-O-L-L-I, middle initial B., as in boy, Weymouth, W-E-Y-M-O-U-T-H.

Question. And what is your present address?

Answer. [Redacted].

Question. And if you could briefly describe your work history, including volunteer work, from college forward.

Answer. Let's see. I graduated from William and Mary, May of 1991. At that time, later in that summer, I left to go to Japan for a year on the Jet program as an English teacher, after which I went on a Rotary scholarship to Guadalajara, Mexico, where I worked for another year, taught at the University of Guadalajara; volunteered some there in community service projects—I really don't recall everything I did—at which time I came back to the United States approximately in October of 1993, where I worked then part-time in Maryland for Social and Health Services, which is—did marketing for the Department of Health and Human Services on drug and alcohol abuse prevention, while I was interviewing and looking for the job in Washington in international trade.

Let's see. When did I start? In February of 1994, I started working for a company called International Strategic Advisors, which is a consulting firm here in Washington that represents U.S. companies on matters of international trade, market entry issues, things of that sort.

I worked there through—I believe I gave notice in September of 1995, but I continued working part-time through January of 1996, training people that were replacing me.

I am trying to think if there were any volunteer efforts during that time.

Oh, I taught GEMET, GRE courses for Princeton Review, just as something fun. And in February of 1996 is when I began working for CommerceCorp. And the only volunteer activities outside of that are community cleanup projects for a group called Hope Worldwide and things through my church.

Question. And where are you presently employed?

Answer. CommerceCorp International.

Question. And I think you already—let me ask you the question. When did you start there?

Answer. In February of 1996.

Question. Now, how did you come to work at CommerceCorp International? If it is all right with you, I will just call it CommerceCorp.

Answer. Sure. A friend of mine, who I had gone to undergraduate with, Kate Wilson, was a desk officer at the U.S. ASEAN Council, and she knew that I was not happy at the consulting firm where I was employed, and so she, in talking to Mark, who was looking for someone who could help him with a new company who could handle both the business aspects of starting a small business and also someone who knew Washington a little bit, had dealt with international trade and issues of that sort, and she recommended me for the position.

Question. Now, you referred to someone named Mark. Who was Mark?

Answer. Mark Middleton.

Question. Who is Mark Middleton?

Answer. My employer.

Question. And did you know Mr. Middleton before you started working at CommerceCorp?

Answer. Only in that when I was employed at International Strategic Advisors, which we can call ISA, I had done some work on a textile-trade-related issue for The Limited, and we had sent briefing memorandas and bullet points related to our issue on the Cardin rule, and we had sent—the Cardin amendment was an issue of legislation that dealt with rules of origin for textile trade, and we had sent briefing memoranda to a sundry of people, one of which was Mark Middleton, then at the White House. But that was my only—the only time I had ever seen his name, really.

Question. Had you met him prior to your employment at CommerceCorp?

Answer. No, I had not.

Mr. LUSKIN. Obviously, in connection with your——

The WITNESS. Interview, yes.

Mr. LUSKIN.—interview, yes.

EXAMINATION BY MR. DHILLON:

Question. I was going to get into that. Prior to your employment, did you interview with someone at CommerceCorp?

Answer. Yes, I interviewed with Mr. Middleton on two separate occasions.

Question. Was the first interview with Mr. Middleton the first time you ever met him?

Answer. Yes, it was.

Question. And would that be in or about February of 1996?

Answer. I believe it would have been January of 1996. It was during a tremendous snowstorm.

Question. What is your title at CommerceCorp?

Answer. My official title is director.

Question. That's it's, just director?

Answer. Uh-huh, just director.

Question. And what are your duties as the director of CommerceCorp?

Answer. Many hats. Mostly project research; market research; identifying different sectors of—I would say sectors within the U.S. economy that are growing, looking for opportunities where U.S. businesses may be interested in exporting technology to different countries; research on market segments within foreign countries that may be emerging, emerging growth areas; also includes just general running of the company.

I was initially involved in helping Mark set up or complete all of the paperwork and maintaining tax filings on time, other documents that you file in the District or articles of incorporation, things of that sort related to the existence of the company, and generally whatever needed to be done in helping make sure things run smoothly.

Question. Where was CommerceCorp incorporated?

Answer. Delaware.

Question. Are you one of the directors? Are you listed as a director of CommerceCorp?

Answer. No.

Question. Do you know who the directors are?

Answer. I believe Mark is the only person who is listed as an officer on the corporate documents.

Question. Do you recall your exact start date?

Answer. No. I can give you an approximation.

Question. February of 1996?

Answer. February 15th, on or about.

Question. Okay. Now, have your duties at CommerceCorp changed since starting in February of 1996?

Answer. I would say my duties have—they have constantly been evolving, only because it is a small company and it was a new company, and, therefore, there are a lot of things initially in getting a company off the ground and started that we had to deal with.

Mark had never managed a company before, so there were some—just when you start anywhere, there is some initial weeding out and solidifying exactly what your role is going to be.

Question. On an average day today, what do you do at CommerceCorp?

Answer. Now, I would say 85 percent of my time is exclusively on project research, market research; writing memoranda regarding those things; maybe only 15 percent of it comprised of administrative things. Everything is now in place, so it would be just filing away tax filings and things of that sort that come through, checking on any problems.

Question. I think you sort of answered this when you told me what your responsibilities are, but I am going to ask about CommerceCorp specifically. What type of a business is CommerceCorp?

Answer. It is a corporation. You mean, define the business?

Question. What does it do? What does CommerceCorp itself do?

Answer. I would say international business consulting.

Question. Now, does it consult for companies in other countries?

Answer. We have U.S. clients, and we have some foreign clients.

Question. And what sort of activities does CommerceCorp perform for clients in foreign countries?

Answer. I would guess—gosh, it is a wide range of things, because the company has different focuses, but mostly market research here in the United States.

We have one client that's interested in joining with a U.S. company and penetrating the market here, working on some type of joint venture. We do market research for them here in the United States, helping to identify U.S. companies that would benefit from that relationship and how they might work together, things of that sort. Also, helping them, U.S. companies who have, let's say, franchises that they may be interested in setting up internationally and our client overseas is also interested in those opportunities. So helping put the two together.

Question. So CommerceCorp obviously has what you would describe as clients?

Answer. Yes.

Question. Do you have any interaction with the clients of CommerceCorp?

Answer. Yes.

Question. And what generally is the kind of interaction you have with the clients?

Answer. Not so much face-to-face contact. That, again, depends on what we are working on. A lot of times it is communications via fax and telephone, sending through brief—you know, briefing bullets on research that I have done, on markets that I have studied, what I have found out; answer requests that they have for information; getting them the information they need; kind of generally monitoring what they are interested in doing, looking around here in the United States and seeing who is in that business and who may be interested in having more of an opportunity overseas and communicating that back to the client.

Question. What is the chain of command there at CommerceCorp? Who is in charge?

Answer. Mark Middleton is the president of the company.

Question. Who is the number two person below Mr. Middleton?

Answer. Myself.

Question. Okay. Who is below you?

Answer. We have different administrative staff that we work with.

Question. How many? After you and Mr. Middleton, how many administrative staff are there?

Answer. Well, in what sense? I mean, I am the only other employee of the company. The administrative staff that we use is actually—we are in a shared office space, and so we share that administrative staff, but there is no direct command in the sense that they are on payroll and we direct their day-to-day operations. They actually are employed by someone else, but they do type memos and answer the phones, things of that sort. And then I would work—Mark would work directly with them. And then I would also work with them.

Question. So you and Mr. Middleton are the only actual employees of CommerceCorp?

Answer. Yes.

Question. Now, does Mr. Middleton travel abroad in connection with CommerceCorp business?

Answer. Yes.

Question. And is there anywhere he travels frequently?

Answer. He travels to Asia frequently.

Question. Any other countries or parts of the world he travels to frequently?

Answer. Not frequently. I mean, he does travel to other locations.

Question. Let's define our terms. I used the term "frequently," and you seemed to understand what I was talking about. But what is your sense of what "frequently" is?

Answer. I mean, in international business, "frequently" can have—it is not the same as it would be for you or I, I guess.

Question. That's right. That's why I need you to define it for me.

Answer. "Frequently," as I am using it here, would mean once every 6 to 8 weeks.

Question. Okay. Now, have you ever traveled with Mr. Middleton in connection with CommerceCorp business?

Answer. Domestically; not internationally.

Question. Approximately how many times?

Answer. Two or three times, I believe.

Question. Who does CommerceCorp share its office space with? We will go back a couple of questions.

Answer. The company's name is Concord Associates.

Question. Just generally, what do they do?

Answer. They also work for U.S. companies in identifying international opportunities. Beyond that, I am not sure.

Question. Is there any sort of relationship between CommerceCorp and that company?

Answer. No.

Question. Besides sharing administrative staff?

Answer. No.

Question. Who pays or who employs the administrative staff?

Answer. Concord Associates does.

Question. How are they compensated for the work they do for you?

Answer. I believe it is part of the rental agreement, but I am not real privy to that information.

Question. Who is the custodian of records at CommerceCorp for legal purposes?

Answer. I am not sure what you mean.

Question. Okay. You don't know what I mean when I say "custodian of records"?

Answer. Huh-uh.

Question. Has CommerceCorp ever been served with a subpoena? I don't want to know what the nature of the subpoena is but whether it has been served with a subpoena for documents or anything like that.

Answer. What we turned into the committees.

Question. Other than that, prior to that, had it ever been served with a subpoena of any sort?

Answer. No.

Question. Does Mr. Middleton have any associates or partners in CommerceCorp?

Answer. No.

Question. Is there anyone else you represent at CommerceCorp other than Mr. Middleton?

Answer. No.

Question. Have you ever heard of a person named Linda Littlehale?

Answer. Yes.

Question. Who is she?

Answer. She is employed by Concord Associates.

Question. And what is her position at Concord Associates?

Answer. She is the assistant to the president of that company.

Question. Has she ever worked for CommerceCorp?

Answer. No.

Question. Has she ever done any work in an administrative staff position for CommerceCorp?

Answer. Yes. She does answer the phones.

Question. Is she normally the person that would answer a phone if a call came in to CommerceCorp?

Answer. She is now, yes.

Question. Okay. How long has she been that person?

Answer. She has been there since I came on board, but only, I would say, within the last 5 or 6 months has she been the person who answers the phone initially.

Question. So her job description is basically receptionist; is that it?

Answer. More assistant to the president of their company. She used to work on the Hill, and they do a lot of work with the Hill, and so she is very helpful to her boss in knowing how to get information from the Hill, so on and so forth.

Question. Do you know—have you ever heard of someone named Sandy McClure?

Answer. Yes.

Question. Who is she?

Answer. She was formerly employed by Concord Associates.

Question. And was she ever employed by CommerceCorp?

Answer. No.

Question. Did she do work for CommerceCorp?

Answer. Yes, she did.

Question. What kind of work did she do?

Answer. She was initially the receptionist for Concord Associates, so when I started working at CommerceCorp, she was the person who answered the phones on a daily basis, and then Linda was a backup on the phones.

Question. Now it is Linda who is doing that?

Answer. Now it is Linda who answers the phone.

Question. Linda Littlehale?

Answer. Right. Sandy was also the secretary, doing typing and things of that sort.

Question. Not for CommerceCorp, though?

Answer. For the other firm, but she also did typing for CommerceCorp, for Mark Middleton.

Mr. DHILLON. See how fast this is going?

Mr. LUSKIN. Are you done?

EXAMINATION BY MR. DHILLON:

Question. Have you ever heard of a company called International Realty Investors?

Answer. I believe that's where Mark was employed after the White House, before CommerceCorp, but I didn't really deal with them.

Question. Do you know what type of business International Realty Investors is?

Answer. No.

Question. Did Mr. Middleton ever discuss it with you?

Answer. No.

Question. Do you know what Mr. Middleton did for International Realty Investors?

Answer. No.

Question. Have you ever heard of a company called Astrum International?

Answer. Yes.

Question. And what do you know about Astrum International?

Answer. Nothing actually, only that I know the name. It is not a project or anything that I worked on directly.

Question. How do you know the name?

Answer. It is just familiar. I feel like I may have heard it or seen it on—seen it written on something perhaps, but right now I am not recalling.

Question. Do you know if Mr. Middleton was ever employed by Astrum International?

Answer. No, I don't.

Question. Now, what is Mr. Middleton's practice with respect to typing memos or letters? Does he do it himself or does he have someone else do it?

Answer. No, Mark doesn't type them himself. He writes memos on legal pads, and then he gives them to someone to type.

Question. Is that his practice? Does he—is that typically his practice?

Answer. Yes.

Question. You nodded your head, which is why I re-asked the question.

Answer. Okay.

Question. Does he ever use a Dictaphone?

Answer. No. And he doesn't know how to turn his computer on.

Question. Okay. I am sorry, maybe you answered this and I just didn't catch it. Who typically types his memos or letters?

Answer. Sandy.

Mr. LUSKIN. I am sorry, at what time period are you talking about?

EXAMINATION BY MR. DHILLON:

Question. From the time you have been there to the present, who has typically typed his, Mr. Middleton's, memos and letters and any other written material he needs typed?

Answer. The receptionist/secretary would have typed his memos, and I have typed some things for him. It just kind of depends, whoever he happens to see, but mostly it was Sandy McClure. I believe Linda has also typed some things for him at times, and we have had temporary help that has also typed letters.

Question. Like temps come in for the day or something like that?

Answer. Uh-huh.

Question. What about things like faxing documents? Does Mr. Middleton fax his own documents, or does he have someone else do that for him?

Answer. Some of each. He faxes some things, and some things we fax.

Question. You said a second ago he doesn't know how to turn his computer on?

Answer. Yes.

Question. But he does know how to use the fax machine?

Answer. Yes, he does.

Question. When Mr. Middleton is out of town, how does he typically retrieve his messages?

Answer. He would call in to the office, and we would tell him over the phone. Then some things we would write up and fax to him, wherever he was.

Question. Is that the regular practice, fax him things if he needs——

Answer. Yes.

Question. If he needs—what is—why do you fax him something? Do you type up a memo to fax it to him?

Answer. He didn't call in regularly.

Mr. LUSKIN. I am sorry, there were about three questions there.

Mr. DHILLON. You are right.

EXAMINATION BY MR. DHILLON:

Question. Why would you fax him something?

Answer. Usually just to make sure he had all of the information correct, because if we told him over the phone, he might not necessarily remember. To make sure he had phone numbers, et cetera and so forth.

Question. You were starting to say that he doesn't—he didn't regularly call in.

Answer. Right. Sometimes, you know, we would talk to him in the morning, we would have messages that came in in the afternoon, and we might not talk to him before we left for the day. At that time, the secretary/receptionist would fax the messages through to his hotel.

Question. Does Mr. Middleton use voice mail?

Answer. No. We don't have voice mail.

Question. Now, from the time you started at CommerceCorp, did you ever or have you ever contacted any employees at the White House in your capacity as an employee of CommerceCorp?

Answer. Yes.

Question. Was there anyone in particular you would speak to at the White House?

Answer. I have talked with Ann McCoy, Debbie Schiff. Those are the only two that I can remember.

Question. And who is Ann McCoy?

Answer. I am not sure of her title actually.

Question. Who is Debbie Schiff?

Answer. Debbie Schiff, I believe, is the receptionist in the West Wing.

Question. What did you typically call Ann McCoy for?

Answer. Ann McCoy, at times, would meet people for tours.

Question. So did you call her to help arrange tours?

Answer. Usually it was just to pass along something from Mark, pass along a message or, you know.

Question. Were there any other reasons you called Ann McCoy other than to—let me back up. I am not clear on the tours.

Answer. Sure.

Question. Did you call her—did you ever call her to arrange a tour?

Answer. Mark would talk to her, and then at times—I can only honestly think of either one occasion or two occasions where I talked to her to make sure I had the right number to fax information through or something of that sort; not a great deal of contact.

Question. Any other reasons to talk to her besides what you have already described?

Answer. No.

Question. All right. How about Debbie Schiff? Why did you contact Debbie Schiff?

Answer. For the same reason, to send her information on clearance information for tours.

Question. Clearance information for tours?

Answer. Right.

Question. Any other reasons?

Answer. No. One time we asked her to send us the—the catalog of the book store, or I guess there is a gift store or something like that at the White House, and we wanted a list of books and other things that they had.

Question. Any other individuals besides Ann McCoy and Debbie Schiff that you contacted at the White House while you were employed at CommerceCorp?

Answer. Not names that I can recall off the top of my head.

Question. Were there other people that you spoke to that you just can't recall right now?

Answer. Yes, there may have been; I just can't remember.

Question. You have said that you called in clearance information. Could you please tell me what that is?

Answer. Names and dates of birth for individuals who would be attending tours.

Question. Okay. And these tours are not the kind of tours that you line up outside the White House for? These are different kinds of tours?

Answer. I believe that there were some—and I am sorry—the tours, I know that there are several different kinds. They have early morning tours, they have the kind where you can line up at the White House at the gates, and there are some where you can get the tickets ahead of time so you don't wait in line but you go on the same tour, and I know that there are some special tours that staff can give.

I am honestly not clear if the information I sent through—I know sometimes we did give—they gave special tours, but I don't know if I sent through clearance information for all types or just for a specific type. I wasn't that directly related to the tours.

Question. You do have a recollection, though, that special tours were at least in some—in terms of some of the conversations you had, that special tours were the issue?

Answer. Yes.

Question. Do you recall how many of those were special tours?

Answer. I can think of maybe three where, as a courtesy, there was someone—I believe there were three where there was someone who met the guest and walked through with them. There may have been more. I am not sure on the number.

Question. Someone at the White House walked through with them?

Answer. Yes. Yes.

Question. Now who were these—talking about just those——

Answer. Sure.

Question. Who were these for?

Mr. LUSKIN. Excuse me. Those being the three that she has just described as special tours?

Mr. DHILLON. Correct.

The WITNESS. Do you want names?

EXAMINATION BY MR. DHILLON:

Question. Yes.

Answer. The first one I was thinking of was for the Widjaja family, and the second one I can think of was for the—I am not sure what his name is now; I am blanking. It was a young guy that—I believe, who does property development. He is not a client or anyone. Someone else had asked us to do him a favor. He was working on US/China relations and kind of a cultural exchange.

The third one that I am thinking of was, I believe, a surgeon or someone. I am not sure.

Question. Any others that you can remember?

Answer. Not off the top of my head. Again, there may have been others, but I am not recalling.

Question. Now, how was Mr. Middleton able to arrange these tours?

Answer. I believe he spoke with someone at the White House and through—probably the Public Liaison Office, and asked someone on the staff to clear them in, to meet them, et cetera and so forth.

Question. Do you know if Mr. Middleton stayed in contact with anyone from the White House while he was at CommerceCorp?

Answer. Yes.

Question. Okay. Who did you stay in contact with?
Answer. Yusuf Khapra, who I believe was his intern at one time. I know he talked ı Mack McLarty's assistant. And there were a number of people that called that ere his friends.
Again, it is—you know, I was working on projects, so I am not sure of who all is friends were from the White House and things of that sort.
Question. You said Mack McLarty's assistant. Do you remember that person's ame?
Answer. No.
Question. Did he ever speak to Mack McLarty?
Answer. Not that I know of. I wouldn't know.
Question. Do you know if Mr. Middleton ever took clients or prospective clients ı eat at the White House mess?
Answer. Again, I know that the Widjaja family did go on a tour. I don't know if ıey ate in the mess or not.
Question. Okay. So other than that, do you have any knowledge of Mr. Middleton ıking clients or prospective clients to eat at the White House mess?
Answer. No, no other clients that I can think of.
Question. And do you know how Mr. Middleton arranged to bring people into the 'hite House mess while he was employed at CommerceCorp?
Mr. LUSKIN. Let me stop you a minute. You asked a general question before she ave you a specific answer. She said she could think of it on one occasion.
Mr. DHILLON. You are right. I will go back and ask the question differently.

EXAMINATION BY MR. DHILLON:

Question. Do you know how Mr. Middleton was able to bring the Widjajas into ıe White House mess?
Answer. Again, I don't know who the specific contact was for that.
Mr. BALLEN. Also, the witness said she didn't know whether or not the Widjaja ımily went into the White House mess.
Mr. DHILLON. Is that an objection?
The WITNESS. Right.
Mr. BALLEN. It is an objection to the question because she is——
Mr. LUSKIN. It does assume a fact that may or may not be in evidence.

EXAMINATION BY MR. DHILLON:

Question. Did Mr. Middleton maintain a voice mail message at the White House?
Answer. Not that we knew of, until it came out in the papers that there was some ıessage on the machine.
Question. You said, "not that we knew of." Who are you referring to when you ay "we"?
Answer. I remember the day that came out in the papers, that there was a mes- ıge at the White House which said, for Mark Middleton, call this number; for Mack IcLarty, call this number; for Yusuf Khapra, call this number. We were not aware f that until that showed up in the papers and we kind of—we called the number ı verify that that is what was going on, and it was a surprise to us.
But no, there was no voice mail system anywhere that we were aware of. We did, owever, find out that that message was on the machine.
Question. When you say "we," who are you referring to?
Answer. Mark Middleton and myself.
Question. Anybody else?
Answer. That found out on that day?
Question. Who knew about the——
Answer. I read it in the paper.
Question. When you said "we," I just wanted to make clear that you are referring ı yourself and Mr. Middleton.
Answer. Right. Right.
Question. So then I—to the best of your knowledge, that number was never used y Mr. Middleton prior to that time?
Answer. No.
Question. You never saw that—do you know what phone number that was?
Answer. No.
Question. Are you aware of the phone number itself that you had called?
Answer. I was told after the fact, when it came out in the newspaper, that it 'as—by the intern, Yusuf Khapra, that it was his desk phone. And he would an- wer phone calls for Mark and Mack when he was at the White House and when

he left the White House to go to another Department—I don't remember if it was Labor at that time; he moved around quite a bit.

But when he left the White House, he put a message on there so that—because every now and then they would get the occasional call for Mark and Mack, he left the message on the phone without really telling anyone, thinking that's what you do when you leave.

He again put on the message, for Yusuf Khapra, call this number; for Mack McLarty, call this number; and for Mark Middleton, call this number. And that's how I found out how it came to be. But we didn't know about that until it surfaced in the papers. It was kind of a surprise to us.

Question. I am not clear on one thing. Who told you that? Was it Mr. Khapra who told you that?

Answer. Yes.

Question. So Mr. Khapra told you that he was the one who put the message on the machine?

Answer. Yes. He was the intern for Mark and Mack, I believe.

Question. So did Mr. Middleton have any business cards with that number printed on them?

Answer. Not that I have seen, no.

Question. Do you know who at the White House knew that Mr. Middleton—that this message was on that machine?

Answer. No; only Yusuf. But, again, by that point he had left the White House and was working for another Department.

Question. Was it your understanding that he was employed there or he was an intern there—Mr. Khapra?

Answer. I am not sure.

Question. So the first time you and Mr. Middleton discussed the voice mail message was when you two discovered it as you previously described; is that correct?

Answer. Correct, when it came out in the papers.

Question. Did you ever—I think I know the answer to this, but did you ever check the messages on that machine?

Answer. Yes, we did call the number to see, because we couldn't believe it. I mean, we just thought it was the greatest example of——

Mr. LUSKIN. I think he may have been asking a different question.

The WITNESS. I am sorry.

EXAMINATION BY MR. DHILLON:

Question. I can break it down. Prior to your discovery of the phone number or prior to reading the article in the paper——

Answer. Right.

Question. Is that how you discovered it?

Answer. Yes.

Question. Prior to reading that, did you ever check or do you know if anyone—if Mr. Middleton ever checked for messages left at that number?

Answer. No.

Question. After that, the day you discovered it, or after that day, what did you do with respect to calling the phone number? Did you ever call that phone number?

Answer. Yes, on that day that we found out from the papers we called the number, because we were curious to see what it said.

Question. Was there—did the recording have the—or did the recording you listened to purport to be able to record messages from people?

Answer. I don't know, honestly. I was there when we called, but then, you know, Mark took the phone, so I don't remember if there was a beep at the end or what. That's what you are asking?

Question. Yes, yes.

Answer. Okay.

Question. Did you or Mr. Middleton attempt to retrieve messages at that point from the recording?

Answer. No.

Question. Did Mr. Middleton have business cards which identified him as a White House employee or which were imprinted with the Presidential seal?

Mr. LUSKIN. Excuse me. Subsequent to the time that he left the White House; is that the question?

Mr. DHILLON. Let me re-ask the question.

EXAMINATION BY MR. DHILLON:

Question. While Mr. Middleton was employed at CommerceCorp, did he have busi-ss cards which identified him as a White House employee which were imprinted ith the Presidential seal?
Answer. When I was going through some old boxes, I found a stack of White ouse cards with a rubber band around them that were his cards when he did work the White House, but it was in a box under some things under my desk. I have ver seen him use or ever otherwise ever seen any White House symbol or business rd, no.
Question. You—let me just clarify that last answer.
Answer. Sure.
Question. You never saw Mr. Middleton use White House business cards after he ft the White House?
Answer. That is correct.
Question. Did Mr. Middleton ever arrange any tours for DNC donors, tours of the hite House?
Answer. I don't know.
Question. Have you ever spoken with Ann Stock in her capacity as a White House nployee?
Answer. I may have. Her name is familiar, but I don't recall specifically any cir-mstances where I would have.
Question. Have you ever met Mack McLarty?
Answer. No.
Question. What is Mr. Middleton's relationship with Mack McLarty?
Answer. I believe they are good friends. I know Mark always speaks very highly Mack, that he was a good man and a great friend. He was friends with his wife well.
Question. Was there any business relationship with Mr. McLarty, between Mr. iddleton and—let me—let me go back. Did Mr. Middleton and Mr. McLarty have ıy business relation while Mr. Middleton was at CommerceCorp?
Answer. No.
Question. Did Mr. McLarty ever contact Mr. Middleton at CommerceCorp?
Answer. Not to my knowledge.
Question. Did Mr. Middleton ever meet with Mr. McLarty at the White House hile Mr. Middleton was employed at CommerceCorp?
Answer. Not to my knowledge.
Question. Did Mr. McLarty assist Mr. Middleton with CommerceCorp business?
Answer. Not to my knowledge.
Question. Did Mr. Middleton ever set up any meetings with Mr. McLarty for Mr. iddleton's clients, CommerceCorp clients?
Answer. I don't know.
Question. Have you ever heard of a person named Molly Varney?
Answer. Yes, I have heard her name before.
Question. Do you know who she is?
Answer. I think—I think she worked in Mack's office.
Question. When you say "Mack," you mean Mack McLarty?
Answer. Mack McLarty's office, yes.
Question. Did you ever have any contact with her?
Answer. I believe I did, but I am not—again, I am not sure—I don't recall the rcumstances. It wasn't very often.
Question. Did you ever call Ms. Varney to arrange meetings with Mr. McLarty—:tween Mr. McLarty and Mr. Middleton?
Answer. Not that I can recall.
Question. Do you know if Mr. Middleton ever contacted Ms. Varney to arrange eetings with Mr. Middleton and Mr. McLarty?
Answer. Again, I know he spoke with Mack—Mark Middleton spoke with Mack cLarty's office. But I don't know the nature of the conversations or with whom spoke specifically.
Question. Have you ever met Yusuf Khapra?
Answer. Yes.
Question. When was the first time you met him?
Answer. I don't recall. I believe it was fairly recently, when he was applying for aduate school.
Question. How many times have you met him?
Answer. I would say I have seen him five or six times.
Question. Over the course of what period of time?

Answer. The last 6 months. He came to—we were helping him with graduate school recommendations, and he came up to pick up the recommendations.

Question. You said five or six times. Were all those meetings at CommerceCorp or at another location?

Answer. At CommerceCorp.

Question. Did you ever contact Mr. Khapra in his capacity as an employee or intern at the White House?

Answer. No, not that I can recall.

Question. Do you know if Mr. Middleton ever contacted Mr. Khapra in his capacity—Mr. Khapra's capacity as an employee or intern at the White House?

Answer. I know they spoke. Yusuf would call us. They were friends. I don't know the nature of the conversation.

Question. Did those conversations occur or did they—when you first started at CommerceCorp, was Mr. Middleton speaking to Mr. Khapra on the phone in conversations like you have described? When do you recall the first conversations between Mr. Middleton and Mr. Khapra at CommerceCorp?

Answer. Oh, he—gosh, I don't remember when they started, but he has called off and on. Yusuf has called us off and on since I started.

Question. Okay. Do you know if Mr. Khapra ever scheduled any White House appointments for Mr. Middleton?

Answer. I don't know.

Question. Do you know why Mr. Middleton and Mr. Khapra would speak on the phone?

Answer. I know Yusuf was interested in pursuing other positions, and I know he would ask for Mark's advice on where to work, who to work for, you know, who was a—who was a nice person to work for, what department would be helpful, advice on going to graduate school, all sorts of things.

Question. Do you know if Mr. Middleton—do you know if Mr. Khapra ever scheduled any appointments for Mr. Middleton at the White House?

Mr. LUSKIN. I think you just asked that.

Mr. DHILLON. Did I just ask that? I am sorry. That's why I was looking at that twice. I was listening so intently to your answer, I forgot what the question was.

Mr. LUSKIN. She was just looking at the stack of pages.

The WITNESS. I was wondering if you were going through all of those pages.

EXAMINATION BY MR. DHILLON:

Question. We are, but I am going through them very quickly. I think you will be happy to know that. I am marking a lot of things off.

Do you know where Mr. Khapra worked after he left the White House?

Answer. No, I don't recall. Again, it may have been Labor, but I am not sure.

Question. When you say "Labor," you mean——

Answer. Department of Labor.

Question. Do you know if Mr. Middleton had any business with or before the Department of Labor?

Answer. No.

Question. Okay. Bad question.

Answer. Yes.

Question. No, you don't know, or no, he didn't?

Let me back up. Let me just ask a better question so the record is clear. Did Mr. Middleton have business with or before the Department of Labor?

Answer. No.

Question. Do you know if Mr. Middleton ever met with anyone employed by the Department of Labor on business issues?

Answer. Not that I know of.

Question. Does Mr. Middleton presently maintain contact with Mr. Khapra?

Answer. Yes.

Question. Do you know where Mr. Khapra is presently working?

Answer. I believe he was working for an electronics association.

Question. Do you know the name of it?

Answer. Not the correct name, no.

Question. Do you have an incorrect name that might have the right title or the right——

Answer. I have his card somewhere. American Electronics Association—something like that. I don't know. It is pretty basic.

Question. Does Mr. Khapra presently do any work with CommerceCorp or with Mr. Middleton?

Answer. No.

Mr. DHILLON. Okay. The document with control number CC-H-000545, which is marked as Deposition Exhibit No. 1, is an October 4th, 1996, memorandum from Mark Middleton to Bob Nash regarding Arthur Davis.

Just so you know, with each exhibit, if there is an exhibit number, then I am going to state the deposition number and then give a brief description and then ask a question.

[Weymouth Deposition Exhibit No. 1 was marked for identification.]

[Note.—All exhibits referred to may be found at the end of the deposition.]

EXAMINATION BY MR. DHILLON:

Question. That exhibit is before you, and I ask that you please review it.

Do you recognize Exhibit 1?

Answer. Only in that I believe I have seen it in the documents that were turned over to the committee.

Question. Do you know who Bob Nash is?

Answer. I know he works at the White House, only because in my previous job someone came from the NEC/NSC and I remember hearing of Bob Nash in relation to that work. But I don't know what his current title is.

Question. Do you know who Arthur Davis is?

Answer. Yes, I have met him. I believe he is in either—I am guessing. Maybe I shouldn't guess.

Mr. LUSKIN. Don't guess. If you know, yes.

The WITNESS. I am not sure what he does.

EXAMINATION BY MR. DHILLON:

Question. Do you know, does Mr. Middleton do any business with Mr. Davis?

Answer. At one time they were going to work together, and then I believe Mark told him that he wouldn't be able to help him—he didn't have time to devote to him, you know; he wouldn't be able to work on any projects for him.

Question. Do you know approximately what time that was?

Answer. This past summer, but again I am guessing. I am sorry, I don't recall exactly.

Question. Do you know what type of project Mr. Davis and Mr. Middleton were talking about?

Answer. Again, I believe Mr. Davis is involved in real estate development. That's what we were going to work on. But it is not anything that came to fruition, so I am not clear. I think that's his business.

Question. Did you do any projects in preparation for that?

Answer. No.

Question. Or, I mean—let me rephrase the question and make it clear on the record. Did you do any projects in preparation for the conversations or discussions that Mr. Davis and Mr. Middleton had regarding their project?

Answer. No. Only that we do have a client who is involved in real estate and there were some preliminary discussions of how they may be able to work together, and I believe it was Arthur Davis. That's why I think he is the gentleman that is involved with real estate. But nothing ever came of that, and then Mark told him he wouldn't be able to help him out.

Question. Do you know why Mr. Middleton was assisting Mr. Davis in pursuing a Presidential appointment?

Answer. No.

Question. Did you ever speak to Mr. Davis?

Answer. Again, I believe I met him once. I believe he came to the office. He is a very elderly man, very sweet man. I think they were friends or business acquaintances previously. I am not sure of the nature of Mark Middleton and Arthur Davis' relationship.

Mr. DHILLON. All right. Let's go to the next exhibit, the document with control number CC-H-000502, which is marked as Deposition Exhibit 2, which is a September 9th, 1996, letter from Mark Middleton to Michael Brown, the CEO of Foxwoods Resort Casino. Exhibit 2 is now before you, and I ask that you please review Exhibit 2.

Mr. LUSKIN. Okay.

[Weymouth Deposition Exhibit No. 2 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 2?
Answer. No.
Question. Do you know who Mr. G. Michael Brown is?
Answer. No.
Question. Do you know what type of position he was seeking in the administration?
Answer. No.
Question. Do you know if Mr. Middleton ever forwarded Mr. Brown's bio to Mr. Nash?
Answer. No.
Question. Did Mr. Middleton have a business relationship with Mr. Brown?
Answer. No.
Question. All right. Let me re-ask that question.
Answer. Sure.
Question. Well, do you know if he had a business relationship with Mr. Brown?
Mr. LUSKIN. She just answered that.
The WITNESS. I know him to not have had a business relationship.
Mr. DHILLON. Okay. I wasn't sure we were being clear on that.
Mr. LUSKIN. Sometimes you ask, "do you know whether or not," and the answer to that is yes, and when he asked you what is the business relationship——
Mr. DHILLON. I asked the question correctly, but you answered it so quickly, I was afraid you misunderstood me.
Mr. LUSKIN. Thank you.
When he asks questions, "do you know," he is simply asking whether you have knowledge rather than necessarily asking the impregnated questions behind it.
The WITNESS. Okay.
Mr. DHILLON. Correct.

EXAMINATION BY MR. DHILLON:

Question. Did Mr. Middleton have a business relationship with Foxwoods Resort Casino?
Answer. Not that I know of.
Question. Did Mr. Middleton ever approach Michael Brown about contributing to the DNC or the Clinton-Gore campaign?
Answer. I don't know.
Question. Did any other individuals come to Mr. Middleton for assistance in contacting the White House for recommendations for Presidential appointments?
Mr. LUSKIN. I am objecting in terms of "any other." She said she has no knowledge of this.

EXAMINATION BY MR. DHILLON:

Question. Are you aware of any individuals who came to Mr. Middleton for assistance in contacting the White House for Presidential appointments?
Answer. No, I don't know. I don't recall any.
Question. Have you ever heard of Evan Ryan?
Answer. Yes.
Question. Who is Evan Ryan?
Answer. Evan Ryan works in the first lady's office, I believe.
Question. Have you ever met Evan Ryan?
Answer. No.
Question. Have you ever communicated with Evan Ryan in any way?
Answer. Yes.
Question. How?
Answer. I believe we have sent to Evan—there was a request—from time to time there would be requests that would come in from people, and one of those was a woman reporter who wanted a chance to speak with the first lady, and we just called the first lady's office and found out where we would direct such a request, who we would send it to, things of that sort. I don't recall any other specific circumstances.
Question. You said "we." Were you talking we——
Answer. Mark Middleton and I.
Question. Okay. In this particular case that you are thinking of or that you just described, it was regarding a female news reporter?
Answer. I believe she was female, yes.

Question. You said we called the White House. Did you make the call, did Mr. Middleton make the call?

Answer. I called the White House.

Question. Besides that, do you know anything else about Evan Ryan's association with Mr. Middleton and/or CommerceCorp?

Answer. No, not that I recall.

Question. Did Mr. Middleton make any recommendations for Presidential appointments?

Answer. I mean, not that I recall. I mean, this appears to be one, but I have never seen this before, so not that I know of.

Question. Okay. Did Mr. Middleton ever meet with Maggie Williams at the White House?

Answer. I don't know.

Question. Did Mr. Middleton ever meet with the first lady at the White House?

Answer. I am not sure. I believe there was one occasion when he was in the White House on a tour, and the first lady was scheduled in two meetings and there was going to be a walk-through, courtesy handshake or something of that sort, but I am not aware of any meetings, no.

Question. So the only thing you are aware of is a walk-through, handshake type of thing?

Answer. Uh-huh.

Question. Do you recall when that occurred?

Answer. I believe that was with the Widjaja family.

Mr. LUSKIN. Do you recall when?

The WITNESS. Oh, I'm sorry. October. It would have been during the time of the World Bank, IMF Conference, in 1996; I believe that was October of 1996.

Mr. LUSKIN. Is this a good time to take a short break?

Mr. DHILLON. Sure.

[Recess, 11:14 a.m. to 11:24 a.m.]

Mr. Dhillon. Mr. Ballen has a statement he wants to make for the record at this point. Mr. Ballen.

Mr. BALLEN. Thank you, Mr. Dhillon. I have about 10 minutes of questions and I wanted to know, for the record, we have been going on for about an hour and I wanted to ask my questions now, and that is going to be deferred until later on; is that correct?

Mr. DHILLON. Yes, Mr. Ballen. In this situation, we are always open to discussing those matters, and we did discuss it off the record. I would ask that we continue with the protocol as set forth by the committee, which means, at this point, Majority counsel continues with the questioning and the Minority counsel can conduct its questioning at the conclusion of Majority counsel's questioning. We are of course open to, at a later point, questioning by Minority counsel, even before Majority counsel is finished. But at this point, Majority counsel will proceed. Thank you.

EXAMINATION BY MR. DHILLON:

Question. Did Mark Middleton arrange a walk-through with the first lady for the Widjaja family?

Answer. Is that everything?

Question. That is the question. Do you want me to re-ask it?

Answer. Sure.

Question. Did you understand it?

Answer. I believe I understood it. I was thinking you were going to clarify something or change something. No—excuse me.

Question. Did Mr. Middleton arrange a walk-through of the White House—hold on a second.

Did Mark Middleton arrange with the first lady to have the first lady meet with the Widjaja family?

Answer. Again, I believe that when Mr. Middleton took the Widjaja family on a tour of the White House, he found out that the first lady had two meetings and would be walking through where they would be. I don't know that he arranged that, per se, specifically, but he did find out that she was having two meetings and would be going through that reception area, and—or I guess arranged for her to stop in and shake hands. But my specific knowledge is not very good. I didn't work on that.

Question. Other than the Widjajas, did Mr. Middleton arrange meetings for any other CommerceCorp clients with the first lady?

Answer. Not that I know of.

Question. Did Mark Middleton have a personal relationship with the first lady?

Answer. I don't know.

Question. Have you ever heard of Vanessa Weaver?
Answer. It sounds vaguely familiar.
Question. Do you know in what context it sounds familiar?
Answer. No.
Question. You have heard of the name, but you don't know anything about her?
Answer. No.
Question. Bad question. You heard of the name, correct?
Answer. I believe so.
Question. Do you know anything about Vanessa Williams?
Answer. No—Vanessa Williams or Weaver? She is a singer. More than we want to know.
Question. So the record is clear, that was supposed to be Vanessa Weaver.
Have you ever heard of Phu Huynh, and I am happy to show your client the name in writing if it would help?
Mr. BALLEN. I think that would be a good idea.
Mr. DHILLON. We will do that.

EXAMINATION BY MR. DHILLON:

Question. P-H-U, first name is P-H-U; last name is H-U-Y-N-H.
Answer. No, I don't recognize the name.
Question. Have you ever heard of Marsha Scott?
Answer. Yes.
Question. Who is she?
Answer. I don't know her current title. I saw her picture in Time a couple weeks ago.
Question. Did you ever have any contact with Miss Scott?
Answer. No.
Question. You just recognize her name?
Answer. Yes.
Question. Did—was she ever a client of Mr. Middleton's?
Answer. No.
Question. Do you know if Mr. Middleton ever had any contact with her?
Answer. I don't know.
Question. Have you ever heard of Doris Matsui?
Answer. Yes.
Question. Who is she?
Answer. Doris Matsui works in the White House. I believe it is the Office of Public Liaison.
Question. Have you ever spoken with Ms. Matsui?
Answer. Not personally.
Question. Have you ever spoken to her some other way?
Answer. I have been in a meeting where she was present.
Question. And where was that meeting?
Answer. That was a meeting at the White House.
Question. When did that meeting occur?
Answer. That was the summer of 1996. I am not sure of the exact date.
Question. Besides you and Ms. Matsui, who else was present at the meeting?
Answer. Mark Middleton, Mr. Zhou, John McAlister, and I believe it was two other women that were interpreters or administrative staff for Mr. Zhou and Mr. McAlister.
Question. Mr. Zhou, could you please spell that?
Answer. Z-H-O-U.
Question. And what language were the interpreters interpreting?
Answer. It was either—it was Chinese. There is some Peruvian connection there, that is why I wasn't sure, I think Peruvian descent or something.
Question. There is some Peruvian connection. Could you please describe that?
Answer. One of the women worked in the Peruvian office and I believe they had business in Peru or the family was part Peruvian, so I wasn't sure if the language they were interpreting in was Spanish or was Chinese. I believe it was Chinese.
Question. You said a woman, one of the women was in an office in Peru, whose office?
Answer. Mr. Zhou's party. There were two women, I believe, that accompanied him, that were either administrative staff, slash and/or interpreters, and they have an office in Peru, I believe, and I am not sure if it is Mr. Zhou, but just as there are many Japanese people in Brazil, there was some type of connection with part of his family being from Peru and the woman spoke Spanish and they had extensive

dealings in Latin America, and I never heard them specifically translate, but I believe it was Chinese because he is Chinese.

Question. Now this meeting occurred at the White House?

Answer. Yes.

Question. Where in the White House?

Answer. In Doris Matsui's office.

Question. And what was discussed?

Answer. Just a very general courtesy meeting. Mr. Zhou was interested, and he is the gentleman I referred to earlier as the property developer, and he was very interested in just general U.S.-China relations and Peruvian education, understanding between the two countries. He is a property developer.

Mr. McAlister kind of gave a broad presentation that, you know, he was an up and coming private businessman in China and as such is very interested in seeing U.S.-China relations stable, understanding the importance of that. I believe he was interested in helping with some educational programs that would send U.S. students to China and vice versa, and Mark also just opened with Doris that, you know, this is just a general courtesy meeting. I believe Mr. Zhou had just—it was his first visit to the United States and was just really interested in getting to know more about the country and figuring out some type of program or ways that they could help just general understanding.

Question. Who arranged the meeting?

Answer. Our office did.

Question. Did you arrange it personally?

Answer. I believe I sent faxes through requesting meetings and sending over clearance information.

Question. Did Mr. Middleton instruct you to do so?

Answer. Yes.

Question. Did you ever attend any other meetings at the White House while you were employed at CommerceCorp?

Answer. No, I believe that is the only one.

Question. Was Mr. Zhou a client of CommerceCorp?

Answer. No, he was not.

Question. Did Mr. Zhou ever compensate CommerceCorp for setting up this meeting?

Answer. No, he did not. The meeting was actually requested through Mr. McAlister, who works for Mr. Zhou as a U.S. citizen, and I believe—I don't know how actually he came to know Mr. Middleton, but he was the one that was putting together Mr. Zhou's program here in Washington, and he arranged most all of Mr. Zhou's schedule and just asked us to help out on a few meetings.

Question. Did you ever contact or speak with Ms. Ann Eder?

Answer. I don't know. I know there were a couple of Anns that I dealt with, but I don't remember that person specifically, no.

Question. Do you know if Mr. Middleton ever contacted Ms. Eder?

Answer. I don't know.

Question. Do you know what the US-ASEAN Council is?

Answer. The US-ASEAN Council, it is a nonprofit, nongovernmental organization here in Washington, D.C., that promotes U.S. business interests in trade with Southeast Asia.

Question. Did Mr. Middleton work with Ms. Matsui on matters related to that council?

Answer. I don't know.

Question. Was Mr. Middleton involved in that council?

Answer. Our company is a member of the US-ASEAN Council, just like most businesses that deal with international business in Asia.

Question. Do you know how your company got involved with that council, how CommerceCorp got involved with that council?

Answer. Initially, no, but, again, anyone who does business in Southeast Asia is a member or pretty much everyone because they are a great source of information and things of that sort, and very well respected here.

Question. Did Mr. Middleton have any responsibilities in connection with the council?

Answer. No, it was just general membership, as far as I know.

Question. Do you know who Harold Ickes is?

Answer. Yes.

Question. Do you know if Mr. Middleton ever met with Mr. Ickes at the White House?

Answer. I don't know.

Question. Do you know if Mr. Middleton ever discussed DNC fund-raising with Mr. Ickes?
Answer. I don't know.
Question. Did Mr. Middleton ever attend any meetings related to the DNC at the White House?
Answer. I don't know.
Question. I am using the phrase "DNC." Just for the record, that is Democratic National Committee?
Answer. Yes.
Question. Did you understand that?
Answer. Yes.
Question. Did Mr. Middleton ever arrange meetings for clients with Mr. Ickes?
Answer. Not that I know of.
Question. While you were employed at CommerceCorp, was Mr. Middleton affiliated in any way with the Democratic National Committee in 1996?
Answer. Not that I know of.
Question. Did Mr. Middleton participate in any DNC fund-raising activities in 1996?
Answer. Not that I know of.
Question. Okay. We are going to an exhibit, Number 3, please. The document with control number CC-H-000067-68 is marked as Deposition Exhibit 3, and is a memo message to Mark Middleton relating to a White House dinner which Mr. Middleton was, quote, working on, closed quote. Exhibit 3 is before you and I ask that you please review Exhibit 3.
Answer. Okay.
[Weymouth Deposition Exhibit No. 3 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 3?
Answer. Yes.
Question. What is it?
Answer. It looks like bullets of messages that came through to Mark that were faxed to him while he was out of town.
Question. That is page 2 of Exhibit 3, right?
Answer. Yes. The first page is just a cover letter, I believe.
Question. It is the facsimile transmission cover sheet?
Answer. Yes.
Question. Did you write Exhibit 3?
Answer. Yes.
Question. You——
Answer. Typed it.
Question. Typed Exhibit 3. Was the White House dinner referred to in Exhibit 3 a fund-raising event?
Answer. I don't know.
Question. Did Mr. Middleton participate in the dinner or find—let me re-ask the question.
Did Mr. Middleton participate in the dinner or did he participate in finding invitees to the dinner?
Answer. Not that I know of.
Question. The bottom of the memo notes that the fax was sent to various individuals. And there is a list of, it appears to be first names. I am going to ask you questions about those individuals. Who is Gus?
Answer. What is the relevance?
Mr. LUSKIN. Where are you directing her attention to?
The WITNESS. To this, which has nothing to do with this.
Mr. DHILLON. At the very bottom, faxes sent to, and there is a list of names, left message for John Huang, and a couple of other names.
The WITNESS. The sheet that you are looking at is a composite of different messages, either from myself, regarding work I was doing, or telephone conversations, or phone calls that came in from Mark. Each bullet connotes a separate thing, therefore, the third bullet has nothing to do with the first bullet. I would be happy to answer the question, but I don't see the relevance.

EXAMINATION BY MR. DHILLON:

Question. Let's do that, then. Who is Gus?
Answer. Gus Nilo.
Question. And who is Titiek?

Answer. Titiek is Siti Hediati, the daughter of the President of Indonesia.
Question. And who is Sukma?
Answer. Sukma Widjaja, one of the principals of the Sinar Mas Group.
Question. Karim. Who is Karim?
Answer. Karim, I don't recall his last name or company.
Question. Who is Neil?
Answer. I don't recall.
Question. Who is Nina?
Answer. Nina would be Nina Wang.
Question. Can you spell the last name?
Answer. I believe it is W-A-N-G, but I am not sure.
Question. And who is Munk?
Answer. Peter Munk.
Question. And what fax was sent to these individuals?
Answer. It would have been different faxes to each of the individuals, and I don't recall, it is just various—this appears to be a time when Mark was out of town and this is just a way of letting him know that the letters that he had left with the secretary, receptionist had been delivered to the different individuals, so they would have been different letters on different matters.
Question. And who is Peter Munk?
Answer. Peter Munk I believe is the chairman of Barrick, Gold Corporation.
Question. Can you spell that, Barrick?
Answer. B-A-R-R-I-C-K.
Question. Did Mr. Middleton ever contact the White House regarding DNC fundraising matters?
Answer. I don't know. I mean—well, I don't know. I don't know.
Question. We will go to another exhibit, the document with control number CC-H-00046-48, which is marked as Exhibit 4, and is an August 19, 1996, memo from you and Mark Middleton to Nancy Hernreich, at the White House, regarding a fundraiser during the Democratic National Convention, hosted by Walter Shorenstein. Exhibit 4 is before you and I ask that you please review it.
[Weymouth Deposition Exhibit No. 4 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Why did Mr. Shorenstein forward these invitations to Mr. Middleton?
Mr. LUSKIN. If you know.
The WITNESS. I don't know.

EXAMINATION BY MR. DHILLON:

Question. Why did you and Mr. Middleton forward the invitations to Nancy Hernreich?
Answer. I mean, from time to time, people would just send things over to us and ask us to pass them along and we would. We would just pass them along and ask that they be sent to the appropriate person or sent to the appropriate channels and that would be the end of it. I don't even particularly remember this fax, but I am sure Mr. Shorenstein probably sent the same thing to 15 other people to try to get it in as many ways as possible.
Question. You don't know that, you are guessing?
Answer. Oh, no. I am guessing, yes.
Question. Did Mr. Middleton ever discuss the reception that is set forth in Exhibit 4 with Mr. Shorenstein?
Answer. I don't know.
Question. Did you ever discuss the reception that is described in Exhibit 4 with Mr. Shorenstein?
Answer. No, not that I can recall.
Question. Did you ever speak to Mr. Middleton about the reception?
Answer. Maybe just in general passing. I don't—I mean, I don't have a great memory of it. It was no big deal.
Question. How was Mr. Middleton involved in the receptions that are described—or the reception that is described in Exhibit 4?
Answer. I don't know. I believe he attended. Beyond that, I am not sure.
Question. Did the President or the Vice President attend the Shorenstein reception that is described in Exhibit 4?
Answer. I don't know.
Question. Did Mr. Middleton assist in the planning of the reception that is described in Exhibit 4?
Answer. I don't know.

Question. Did Mr. Middleton invite anyone to the reception that is described in Exhibit 4?

Answer. I believe he attended with a guest. Beyond that, I don't know of him working with the reception.

Question. The next document is the document with control number CC-H-000063. It is marked as Exhibit 5 and is an undated memorandum to Mark Middleton regarding a fund-raiser on July 30, year unknown. Exhibit 5 is before you and I ask that you review Exhibit 5.

[Weymouth Deposition Exhibit No. 5 was marked for identification.]

Mr. DHILLON. The record should reflect that Mr. Waxman is present. As a courtesy to a Member who is present and with the concurrence of Minority counsel, I shall defer questioning until the Member has completed his questioning.

Mr. Ballen, you are the designated Minority counsel at this deposition; do you concur?

Mr. BALLEN. I do.

Mr. DHILLON. Thank you. Congressman Waxman, would you care to question the witness?

Mr. WAXMAN. Yes, I would.

Mr. DHILLON. You may proceed.

Mr. WAXMAN. Thank you very much.

Ms. Weymouth, good to see you here today. Since you began working for MEM in February of 1996, have you ever known Mark Middleton to solicit any political contributions from anyone?

The WITNESS. No.

Mr. WAXMAN. Have you ever seen any documents or check stubs or bank account records or any other kind of evidence that suggested to you in any way that Mark Middleton was soliciting campaign contributions from any person or corporation for government?

The WITNESS. No.

Mr. WAXMAN. Have you ever known Mark Middleton to solicit any campaign contributions from any foreigner or foreign government?

The WITNESS. No.

Mr. WAXMAN. Did he ever receive phone calls from anyone at the DNC asking for his help in fund-raising?

The WITNESS. Yes.

Mr. WAXMAN. And from whom?

The WITNESS. Anne Brazil.

Mr. WAXMAN. How frequently?

The WITNESS. Not very frequently. Infrequently.

Mr. WAXMAN. Infrequently, meaning more than five? Less than five?

The WITNESS. Well, she would call a lot because he didn't always call back, but, you know, not very often.

Mr. WAXMAN. Did he ever receive similar calls from John Huang?

The WITNESS. I don't know.

Mr. WAXMAN. What was his response to the call from Anne Brazil?

The WITNESS. Very typically Mark, very polite, encouraging them, and, you know, very energetic. They would often call wanting names of people who they might approach or just his recommendation, since he had been involved in fund-raising, so he would encourage them, but he always dropped it, I mean, he never really worked on it, he didn't call back, you know, because sometimes he would get a little flustered because he had a lot of things going on with the business and he was really trying to get his business going, and I remember him saying, you know, these guys are always calling for my knowledge and my experience but I don't have time to deal with this, I am trying to run a business.

Mr. WAXMAN. How did you know about this?

The WITNESS. How did I know about that?

Mr. WAXMAN. His reactions.

The WITNESS. I was in the office. I walked into the office to work on a project we were working on and he had just hung up the phone.

Mr. WAXMAN. When he received calls—the only call you know of that he received dealing with campaign contributions was Anne Brazil?

The WITNESS. Well, she would call just to let him know things that were going on and to ask for advice or who he thought might be interested in things, but beyond that, I don't recall. I don't recall anyone else or who may have called.

Mr. WAXMAN. Did he agree to help her?

The WITNESS. Well, he would always say sure, sure, I will try to help out, but it never really came to much.

Mr. WAXMAN. Do you know whether he actually tried to help?

The WITNESS. No.
Mr. WAXMAN. No, you don't know?
The WITNESS. Yes, I know, and, no, I never saw him help.
Mr. WAXMAN. Have you ever seen any evidence that he tried to assist the Democratic National Committee or the Clinton-Gore campaign in fund-raising?
The WITNESS. Not that I have seen, no.
Mr. WAXMAN. Are you familiar with what is involved in lobbying?
The WITNESS. Yes.
Mr. WAXMAN. And how are you familiar with lobbying?
The WITNESS. Well, the firm I came from, we did a lot of work for an American textile company and we did have to file, you know, lobbying papers, et cetera and so forth, and it was something I didn't particularly like, so when I interviewed with Mark, I asked a lot of questions about what we did with our clients, both the U.S. and otherwise, and whether or not we would be lobbying either the administration or Congress, and, you know, he said no.
Mr. WAXMAN. He said no, but did you know whether lobbying was a part of his business when you joined CommerceCorp?
The WITNESS. Well, we had extensive discussions on it, just because I was very concerned that I didn't want to get into anything that came close to lobbying, I really wanted to be involved in the more creative business side, and he had the regulations, both the FAR regulations and the lobbying registrations, and he asked me—this is even after I came on board, excuse me, after I started, he asked me to read over those and make sure I understood what they meant and to highlight the different points and to, you know, tell him if I thought that there was any way what we were doing for the clients could fall under that, and there really wasn't anything there.
Mr. WAXMAN. So in other words, you didn't do any lobbying?
The WITNESS. No.
Mr. WAXMAN. Okay. And he told you that you didn't have to do any lobbying?
The WITNESS. Correct.
Mr. WAXMAN. And in your experience he has been good to his word on that promise, that you wouldn't have to do any lobbying?
The WITNESS. Definitely, or I wouldn't be there.
Mr. WAXMAN. In your work have you sometimes contacted executive branch agencies for clients of CommerceCorp?
The WITNESS. Yes.
Mr. WAXMAN. For what purpose?
The WITNESS. Mostly just contacting through general public information, fax retrieval systems, calling to get general information on countries, sectors, things of that sort.
Mr. WAXMAN. Have you ever helped to set up meetings with the White House officials or officials of executive branch agencies for CommerceCorp clients?
The WITNESS. No.
Mr. WAXMAN. Have you personally ever contacted the White House or an executive branch agency or any government official to try to get them to take any action for any CommerceCorp clients?
The WITNESS. No. To my knowledge, we have never had any action pending before anyone.
Mr. WAXMAN. Have you ever known Mark Middleton to contact any government official to try to get them to take any action for a CommerceCorp client?
The WITNESS. No.
Mr. WAXMAN. Have you ever seen any evidence that Mark Middleton or CommerceCorp engaged in lobbying of any government official for any purpose?
The WITNESS. No.
Mr. WAXMAN. Have you ever met Charlie Trie?
The WITNESS. Yes.
Mr. WAXMAN. Is he a business associate of Mr. Middleton?
The WITNESS. No.
Mr. WAXMAN. What were the circumstances of you meeting him?
The WITNESS. He came by the office one day, and I am trying to think. It was around Secretaries Day because he brought perfume to all the women in the office, but it was just a personal courtesy meeting.
Mr. WAXMAN. With you?
The WITNESS. With Mark Middleton, yes.
Mr. WAXMAN. Have you ever seen any evidence that they have a business relationship?
The WITNESS. No.

Mr. WAXMAN. Has Mark Middleton ever handled any funds from Mr. Trie or any of his businesses?
The WITNESS. No.
Mr. WAXMAN. Has Mark Middleton ever given any money to Charlie Trie?
The WITNESS. Yes.
Mr. WAXMAN. Would you describe the circumstances?
The WITNESS. In a very typical Charlie fashion, he kind of came in ruffled one day and I remember Mark saying, this is after Charlie left, and Mark said, he is such a great guy, he works really hard and he tries really hard, but he was having trouble with his business, as I understand it, and was short on funds and he had asked Mark to give him a loan and Mark did so.
Mr. WAXMAN. Do you know how much money was involved in the loan?
The WITNESS. I think it was $5,000.
Mr. WAXMAN. Do you know what Mr. Middleton thought of Charlie Trie?
The WITNESS. Yes.
Mr. WAXMAN. Is that a yes?
The WITNESS. Yes.
Mr. WAXMAN. And is that based on something he said to you?
The WITNESS. Yes.
Mr. WAXMAN. And what did he say to you?
The WITNESS. Again, as I stated, he would just say that Charlie was a great guy with a good heart, he was a really hard worker but that he wasn't super sophisticated or super bright and he was having trouble with his business and wanted some—needed some help financially, but I always got the impression that he thought he was a really good guy, trying hard. I always thought of Charlie as kind of like a puppy or something, with a good heart but not always knowing what he was doing.
Mr. WAXMAN. That is your impression?
The WITNESS. That is my impression. But I got my impression mostly from Mark because I only met Charlie on that one occasion.
Mr. WAXMAN. And you had several conversations with Mark about Charlie Trie?
The WITNESS. Probably two or three that I can think of.
Mr. WAXMAN. Do you know what that loan of $5,000 was for?
The WITNESS. No.
Mr. WAXMAN. Do you know whether it has been repaid?
The WITNESS. No, it has not.
Mr. WAXMAN. It has not been repaid?
The WITNESS. Right.
Mr. WAXMAN. And when was that loan extended?
The WITNESS. I'm sorry, I don't recall the date. It was in '96. It was open on the books at the end of the year.
Mr. WAXMAN. So it was a loan in 1996?
The WITNESS. Yes.
Mr. WAXMAN. Early in the year or later in the year?
The WITNESS. My impression is it would have been spring, spring of '96.
Mr. WAXMAN. Okay.
The WITNESS. I'm sorry, I don't recall the exact date. It was a personal loan, as I understood it, just to help him cover his cost of living.
Mr. WAXMAN. And you know it has not been repaid?
The WITNESS. Right. Yes, it has not been repaid.
Mr. WAXMAN. Well, we appreciate you being here to give this deposition and answering these questions. We will probably have other questions for you later. Thank you and I thank counsel for allowing me to proceed.
Mr. DHILLON. Thank you, Mr. Waxman. May I proceed?
Mr. WAXMAN. Certainly.

EXAMINATION BY MR. DHILLON:

Question. I believe we left off at Exhibit 5 being placed before you.
Answer. Sure.
Question. And I would ask you to review Exhibit 5. Have you done so?
Answer. Yes.
Question. Did you write Exhibit 5?
Answer. Yes.
Question. Do you know what event Exhibit 5 refers to?
Answer. No, not specifically. No, I mean this is a typical example of a request that would come in from people who knew Mark had been involved in fund-raising asking for information or help and I would take the message and pass it along, and

fact, I remember this person, Dinah Dale, simply because of her accent and name, lling several times, and I don't believe Mark ever even returned the phone calls got back in touch with her office because she did call several times wondering, u know, if he was going to be able to help and I don't think he did.
Question. Okay. Let me ask you that question, then. Did Mr. Middleton host this ent that is set forth or described in Exhibit 5?
Answer. No, not to my knowledge.
Question. Now let's go to the next document, the document with control number -H-0049, which is marked as Deposition Exhibit 6, and is a September 9, 1996, tter from Mark Middleton to Benny Hu, H-U, the president of China Development rporation. Exhibit 6 is before you and I ask that you please review Exhibit 6.
[Weymouth Deposition Exhibit No. 6 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 6?
Answer. No.
Question. Did you prepare Exhibit 6?
Answer. No.
Question. In Exhibit 6, Mr. Middleton makes a reference to it being hectic here nce the campaign has heated up, and he goes on to state that he would like to me over next month, but his responsibilities make the timing of the trip uncerin.
Do you know what Mr. Middleton was referring to when he made that statement the letter?
Answer. No.
Mr. LUSKIN. Which statement are you referring to? Are you asking what responbilities he is referring to?
Mr. DHILLON. Let me back up. I will break it down into two different questions.

EXAMINATION BY MR. DHILLON:

Question. What responsibilities was Mr.—let's just take the part that refers to reonsibilities. What responsibilities was Mr. Middleton referring to?
Answer. I don't know.
Question. He also said it was very hectic since the campaign had heated up. How id it been hectic at CommerceCorp since the campaign heated up?
Answer. I don't know what he was referring to.
Question. Was Mr. Middleton involved in any way in the 1996 Presidential camaign?
Answer. Not that I know of.
Mr. LUSKIN. Just for clarification of the record, and I don't want to step on your uestioning, but let me ask, are you aware of any responsibilities that Mr. Middlen had, other than his CommerceCorp responsibilities? We may want to close the op here.
Mr. DHILLON. That is a fine question. If you could answer that, I would appreciate

The WITNESS. I just work with him on CommerceCorp issues and it was always ectic on our business issues, so I don't know.

EXAMINATION BY MR. DHILLON:

Question. Okay. The next document is the document with control number CC-H-0020, and it is marked as Exhibit 7, and it is a June 11, 1996, facsimile message Mark Middleton from Holli Weymouth. That is before you and I ask you to please view it.
[Weymouth Deposition Exhibit No. 7 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 7?
Answer. Yes.
Question. What is it?
Answer. It is a facsimile transmission that again appears to be a series of mesges left for Mark that were faxed through to him when he was out of the office.
Question. And did you prepare that?
Answer. Yes, I did.
Question. And did you take the message described in Exhibit 7 from Arthur avis?

Answer. I don't recall if his office spoke with me directly or spoke with someone else in our office, and I am just summarizing here. I don't recall.

Question. Is the Arthur Davis referred to in Exhibit 7 the same Arthur Davis that Mr. Middleton recommended for an ambassadorial appointment?

Answer. I believe he would be. That is the only Arthur Davis I know.

Question. Did Mr. Middleton attend the coffee with Mr. Davis?

Answer. I don't know.

Question. Did Mr. Middleton assist in making the arrangements for the coffee?

Answer. I don't know.

Question. Why did Mr. Middleton call Mr. Davis about this coffee—I'm sorry, why did Mr. Davis call Mr. Middleton about this coffee. Strike the last question.

Answer. You know, I don't know, and it is not clear from the memo and I can't remember. It could be we were working on a meeting and he just mentioned, you know, that he might be going to this because of Mark's past activities. I honestly don't—I mean, I don't know. My memory is limited to what is here because it wasn't anything. I just took the message and passed it along.

Question. Did Mr. Middleton attend any White House coffees?

Answer. I don't know.

Question. A question or two ago I asked you about why Mr. Davis and Mr. Middleton were communicating, and you said it might have something to do with Mark's past activities. What did you mean by "past activities"?

Answer. Oh, I'm sorry. Meaning that he was involved with fund-raising many years prior, or in the '92 campaign.

Question. Were you assisting in campaign activities at all, whether for the DNC, the Clinton-Gore re-election campaign or any other campaign activities, you?

Answer. No.

Question. Did anyone else employed by CommerceCorp or who worked for CommerceCorp at any time participate or assist in any campaign activities?

Answer. No.

Question. Who was the person, Luz, L-U-Z, identified in the Exhibit 7?

Answer. Luz is the assistant to Mark Jiminez, at Future Tech.

Question. Future Tech?

Answer. Yes.

Question. And what information was Luz working on for the 26th?

Answer. I honestly don't recall.

Question. Did Mr. Middleton regularly talk to anyone at the DNC?

Answer. Again, messages came in from Anne Brazil, is really the only name I can recall.

Question. Do you recall if there were other individuals that called from the DNC whose names you can't recall?

Answer. I don't know.

Question. Do you recall calls, but you just can't recall the name of who called?

Answer. I don't recall calls because I don't really know who works with the DNC. The only person I know that worked with the DNC is Anne Brazil, therefore, if there were calls, I wouldn't know, I wouldn't recognize the names as being DNC individuals because I really don't have a lot of knowledge of the DNC.

Question. Did Mr. Middleton ever speak with Richard Sullivan?

Answer. I don't know.

Question. Do you know who Richard Sullivan is?

Answer. I do now.

Question. Did you ever see Richard Sullivan at the CommerceCorp offices?

Answer. No.

Question. Do you know if Mr. Middleton ever met with Mr. Sullivan any place—did Mr. Middleton ever meet with Mr. Sullivan that you know of?

Answer. I don't know.

Question. And have you ever spoken with Mr. Sullivan?

Answer. Not that I recall.

Question. Was Mr. Middleton in contact with Marvin Rosen?

Answer. I don't know.

Question. Do you know who Marvin Rosen is?

Answer. Again, I do now.

Question. Okay. Do you know what he looks like now?

Answer. No.

Question. You know who he is now, though?

Answer. Yes.

Question. Did you ever see Mr. Rosen at the CommerceCorp offices?

Answer. No, not that I know of.

Question. Okay. Do you know if Mr. Middleton ever met with Mr. Rosen at any place other than the CommerceCorp offices?
Answer. I don't know.
Question. Was Mr. Middleton ever in contact with a person named Don Fowler?
Answer. Again, I don't know.
Question. Do you know who Don Fowler is?
Answer. Yes.
Question. Did you ever see Don Fowler at the CommerceCorp offices?
Answer. No.
Question. Do you know if Mr. Middleton ever had any meetings with Don Fowler outside the CommerceCorp offices?
Answer. I don't know.
Question. Have you ever heard of Susan Lavine?
Answer. Susan Lavine, yes.
Question. Who is she?
Answer. I believe that—I am not sure if she worked for the DNC or worked with the DNC. She is someone that initially, when I came on board, would help with arranging tours of the Capitol or whatever people wanted to see in Washington.
Question. Okay. How did you interact with her; was she in your office?
Answer. No.
Question. Okay. So how did you interact with her?
Answer. We called her.
Question. Okay. When you say "we called her," you are referring to?
Answer. Our office would call her.
Question. And that would be either you, right?
Answer. Right.
Question. Or Mr. Middleton?
Answer. Right.
Question. Or one of the other individuals you described as answering the phone?
Answer. Correct.
Question. Did you ever meet Susan Lavine?
Answer. Yes.
Question. Okay. Where?
Answer. She came by our office.
Question. On how many occasions?
Answer. I would say I have probably seen her two or three times. She borrowed an umbrella from Linda and she brought it back and then she came by months later just to say hello.
Question. Approximately when did these events occur?
Answer. Oh, goodness. I would say it would have to be spring of '96.
Question. And did she meet with anyone while she was there in a formal capacity?
Answer. No.
Question. Did she ever meet with Mr. Middleton?
Answer. No, she usually missed him when she came by.
Question. What was her purpose in coming by?
Answer. Just to drop by and say hello.
Question. Was one of her purposes to meet with Mr. Middleton?
Answer. To say hello, yes. She would just kind of float in and say hello to everyone and float out.
Question. The next document, a document with control number CC-H-000012, is marked as Deposition Exhibit 8. It is a facsimile from Holli Weymouth to Mark Middleton dated April 19, 1996, sent to an overseas fax number. Exhibit 8 is before you and I ask that you please review Exhibit 8.
Answer. Yes.
[Weymouth Deposition Exhibit No. 8 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 8?
Answer. Yes.
Question. What is it?
Answer. It is a facsimile transmission sent to Mark. It is a list of messages, appears to have been a list of messages that came through for him that day.
Question. Is the Susan mentioned in Exhibit 8 at the very bottom last word, Susan Lavine?
Answer. I don't recall. It may have been. It may have been Mr. Sudarma's assistant. I am not sure.
Question. Mr. Sudarma's assistant was also named Susan?

Answer. I mean, I don't recall. I don't recall the specifics of this.

Question. What country was Mr. Middleton in at the time—strike that. What country did you fax this document to?

Answer. 6221 is Indonesia.

Question. And why was Mr. Middleton in Indonesia at the time you faxed Exhibit 8 to him?

Answer. Just a general business trip through Asia.

Question. Did you speak to Mr. Sudarma?

Answer. Yes. In fact, Mr. Sudarma called and I took his call, and if I remember correctly, he had called and I had—I can't remember if I mentioned it to Mark. Mark didn't know who he was, Mark couldn't remember, and the gentleman explained, oh, I met Mark such and such places, and Mark said, well, you know, do what you can to be helpful for him if he is visiting Washington, but Mark didn't really remember who he was.

From time to time, friends of business acquaintances or friends of family would come to Washington and they would want to know where to go, what to see, you know, how to tour the Capitol, how do you see the White House, et cetera and so forth.

Question. Where is Mr. Sudarma from?

Answer. I don't know. He called from California, I believe. I think I remember looking at his phone number and I think I remember him—that he called from California, 415. My sister lives in San Francisco, that is why I remember.

Question. Do you know where Mr. Middleton met Mr. Sudarma?

Answer. Only what it says here, and that was according to Mr. Sudarma. Again, Mr. Middleton didn't remember.

Question. So your recollection is Mr. Middleton did not remember Mr. Sudarma at all?

Answer. Correct.

Question. Prior to this call from Mr. Sudarma that you took, did Mr. Middleton ever mention Mr. Sudarma to you?

Answer. No.

Question. Do you know how Mr. Sudarma knew the Riady family?

Answer. No.

Question. Do you know what the relationship between Mr. Sudarma and the Riady family is?

Answer. No. Only what it says here.

Question. Do you know how Mr. Sudarma knew John Huang?

Answer. No.

Question. Do you know anything about the relationship between Mr. Sudarma and Mr. Huang?

Answer. No.

Mr. LUSKIN. May I ask for clarification? Is what is written down here on this bullet point on Exhibit 8 information that Mr. Sudarma related to you?

The WITNESS. Yes, it is, and that is all the information I have.

Mr. DHILLON. This would be a good time for lunch for us. We can go off the record.

[Whereupon, at 12:21 p.m., the deposition recessed, to be reconvened 1:00 p.m., this same day.]

Mr. DHILLON. You have all heard the kinds of questions I am asking, and I haven't heard any objections to them, so I feel comfortable sort of picking up the pace and speeding up a little more.

Mr. LUSKIN. I have been trying not to harass you by not objecting.

Mr. DHILLON. And I appreciate that. And these will be sort of the same. As you have probably guessed by now in this deposition, this is going to be the same sort of thing, just fill in the blanks. So I will go through it as quickly as I can.

EXAMINATION BY MR. DHILLON:

Question. I am going to give you another document, the document with control No. CC-H-000015, which is marked as Deposition Exhibit No. 10, an August 5th—okay. Let's go back up a couple here. The document with control No. CC-H-000010 is marked as Deposition Exhibit No. 9 and is an April 23rd, 1996 facsimile to Mark Middleton from Holli Weymouth.

Exhibit 9 is before you, and I ask you to please review it.

[Weymouth Deposition Exhibit No. 9 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 9?

Answer. Yes.
Question. What is it?
Answer. It is a fax from me to Mark Middleton.
Question. Did Mr. Sudarma and his family go on the scheduled tour referred to in Exhibit 9?
Answer. Yes, they did.
Question. Did Mr. Middleton meet Mr. Sudarma at the White House?
Answer. No, he did not.
Question. How do you know that?
Answer. He was out of town, out of the country. And it is a different date. I apologize. I was thinking since this fax is sent out of the country that he wouldn't have been there for the tour, and I don't believe he had returned by that time. I believe he still was out of the country or out of town anyway. Sorry.
Question. Okay. Was Mr. Sudarma ever a client of CommerceCorp?
Answer. No.
Question. Was he ever a prospective client of CommerceCorp?
Answer. No.
Question. The document with control No. CC-H-000015 is marked as Deposition Exhibit 10. It is an August 5th, 1996 facsimile from Holli Weymouth to Mark Middleton at an overseas facsimile number. That is before you, and I ask that you please review Exhibit 10.
Answer. Yes.
[Weymouth Deposition Exhibit No. 10 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Who is Robyn—do you recognize Exhibit 10?
Answer. Yes, I do.
Question. What is it?
Answer. It is a fax from me to Mark.
Question. Who is Robyn Buzby?
Answer. Robyn Buzby is a personal friend of Mark's, someone who he went to high school with in Arkansas.
Question. Is Robyn Buzby a man or a woman?
Answer. It is a woman.
Question. Is she a client of CommerceCorp?
Answer. No.
Question. Is Ms.—is Ms. Buzby affiliated with the DNC in any way?
Answer. No.
Question. Why did Ms. Buzby call Mr. Middleton to arrange a White House tour?
Answer. Again——
Mr. LUSKIN. If you know.

EXAMINATION BY MR. DHILLON:

Question. All questions assume that.
Answer. I am sorry?
Question. Why did Ms. Buzby call Mr. Middleton to arrange a White House tour?
Answer. I don't know.
Question. Did either you or Mr. Middleton arrange a White House tour for Ms. Buzby?
Answer. I can't recall.
Question. Did Mr. Middleton solicit campaign or DNC contributions from Ms. Buzby?
Answer. No.
Question. On Exhibit 10 there is a notation that Craig Smith phoned for Mr. Middleton. Did Mr. Smith call Mr. Middleton often?
Answer. Excuse me? I don't see the notation you are referring to.
Question. Exhibit 10, second line down, Craig Smith.
Answer. These are not notations that people called. I think this was just a request for phone numbers.
Question. Okay. So Mr.——
Answer. I am not sure. I think—yes, I think it was just a request for information off the Rolodex.
Question. If I could just—let me just go to Exhibit 10 then.
Answer. Sure.
Question. Was this memorandum—I am sorry. Was this facsimile transmission generated by you in response to a request by Mr. Middleton for the information contained in Exhibit 10?

Answer. I believe so.
Question. Okay. Did the Mr. Smith, whose name appears on Exhibit 10, call for Mr. Middleton often?
Answer. Not that I recall.
Question. Do you know who Craig Smith is?
Answer. No, not particularly.
Question. Do you recall ever having met Craig Smith?
Answer. No.
Mr. DHILLON. I am sorry, counsel?
Mr. LUSKIN. I am sorry. I kicked her and I apologized.
Mr. DHILLON. I wasn't sure if you were interposing an objection.
Mr. LUSKIN. No. I was apologizing to my client.
Mr. DHILLON. I see.

EXAMINATION BY MR. DHILLON:

Question. There is a person on Exhibit 10, Mr. Fuerst?
Answer. Uh-huh.
Question. Did Mr. Fuerst regularly contact Mr. Middleton?
Answer. Mr. Fuerst works with Future Tech International, which was one of our clients, so he did call off and on.
Question. Do you know—did you ever meet Mr. Fuerst?
Answer. No.
Question. Did Mr. Middleton solicit campaign or DNC contributions from Mr. Fuerst or Mr. Jimenez?
Answer. No.
Question. And I threw Mr. Jimenez in there. Mr. Jimenez is also mentioned on that document?
Answer. No.
Question. Have you ever heard of Howard Glicken?
Answer. Yes.
Question. Who is he?
Answer. I think he has either a consulting group or something of that sort named the Americas Group.
Question. Have you ever met him?
Answer. Yes.
Question. When?
Answer. I don't recall when.
Question. Where?
Answer. He came by our office once.
Question. On how many occasions?
Answer. Just once, that I recall.
Question. And who did he come by to meet with?
Answer. He met with Mark Middleton.
Question. The next document is a document with control No. CC-H-000095. It is marked as Exhibit 11, Deposition Exhibit 11, and is an April 22nd, 1996 memo from Howard Glicken to Mark Middleton regarding a CEO dinner in Miami.
Exhibit 11 is before you, and I ask that you please review Exhibit 11.
Answer. Okay.
[Weymouth Deposition Exhibit No. 11 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 11?
Answer. No.
Question. You had previously testified a few moments ago that Mr. Glicken came to the—Mr. Glicken came to the office to meet with Mr. Middleton?
Answer. Yes.
Question. What were they meeting about?
Answer. I don't know.
Question. Was Mr. Middleton working with Mr. Glicken on fund-raising matters?
Answer. Not that I know of.
Question. Did Mr. Middleton assist Mr. Glicken in the endeavor that is described in Government's—sorry, Deposition Exhibit 11?
Answer. I don't know.
Question. Okay.
Mr. LUSKIN. For the record, Exhibit 9 reflects that Mr. Middleton was apparently in Indonesia on the date——
The WITNESS. This is not Indonesia, but somewhere.

Mr. LUSKIN. Or somewhere out of the country at the time of April 22nd or 23rd.
The WITNESS. The time this fax was received.

EXAMINATION BY MR. DHILLON:

Question. The document with control number CC-H-000094 is marked as Deposition Exhibit 12 and are telephone messages for Mark Middleton for April 22nd, 1996.
Exhibit 12 is before you, and I ask that you please review Exhibit 12.
Answer. Okay.
[Weymouth Deposition Exhibit No. 12 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 12?
Answer. No.
Question. All right. Is Exhibit 12 sort of a phone record that CommerceCorp routinely keeps?
Answer. It is one type of record that we have used.
Question. Do you recognize it as that—as the type of record that CommerceCorp keeps?
Answer. Yes.
Question. Do you recognize the handwriting on Exhibit 12?
Answer. I'm not sure who wrote these.
Question. So you don't recognize the handwriting?
Answer. Well, it would have been one of the two individuals that answers our phone, but I'm not certain which one it was.
Question. And those are the two individuals you already described before. I am sorry, what were their names, Ann was it——
Answer. Sandy and Linda.
Question. Okay. Have you spoken to Mr. Middleton about your testimony here today?
Answer. Only to inform him that I had received a notice.
Question. Have you spoken to him—did he ask you to testify in a particular way?
Answer. No.
Question. Did you discuss with him any of the matters you thought might be asked by any of the counsel here today?
Answer. No.
Question. Okay. Is Mr. Middleton paying your attorney's fees?
Answer. Yes.
Question. Is he—is Mr. Middleton or is CommerceCorp?
Answer. I am sorry. It is Commerce—gosh. It is the company.
Question. CommerceCorp is paying your attorney's fees?
Answer. Yes.
Question. Is Mr. Middleton also represented by your counsel here today?
Answer. Yes.
Question. Okay. Have you ever heard of John Huang?
Answer. Yes.
Question. Do you know who John Huang is?
Answer. Yes.
Question. Have you ever met him?
Answer. No.
Question. Have you ever spoken to John Huang?
Answer. I can't recall if I have or haven't.
Question. So then it's possible you have spoken to him?
Answer. I don't recall speaking with him.
Question. Did John Huang ever call CommerceCorp?
Answer. I have seen notes here that he called, but I don't recall speaking with him.
Question. Do you know who John Huang spoke with when he called CommerceCorp?
Answer. No.
Question. Did you ever have any conversations at all with Mr. Huang?
Answer. Not that I recall.
Question. Was Mr. Middleton in contact with Mr. Huang in 1996?
Answer. Again, I have seen notes, and I believe Mr. Huang may have called infrequently.
Question. Did Mr. Middleton ever discuss his relationship with Mr. Huang with you?

Answer. No.
Question. Did he ever discuss his relationship with Mr. Huang to someone else in your presence?
Answer. No.
Question. Do you know when Mr. Middleton first met Mr. Huang?
Answer. No, I don't.
Question. Did Mr. Huang ever come to the CommerceCorp offices?
Answer. Not that I know of.
Question. Did Mr.—did Mr. Middleton ever work with Mr. Huang on any fund-raising matters in 1996?
Answer. Not that I know of.
Question. Did Mr. Middleton ever work with Mr. Huang to arrange for individuals to attend a coffee with the President?
Answer. I don't know.
Question. Have you ever heard of Pauline Kanchanalak?
Answer. Not prior to the press reports.
Question. Okay. Had you ever met Pauline Kanchanalak?
Answer. No.
Question. Do you know if Mr. Middleton assisted Pauline Kanchanalak in attending a coffee with the President at the White House?
Answer. I had never heard her name before the press reports.
Question. When was the first time you heard her name?
Answer. When it came out in the newspapers in conjunction with fund-raising activities.
Question. Before, after a certain date?
Answer. No, I don't recall when she first emerged.
Question. Was Mr. Middleton ever in contact with Ms. Kanchanalak?
Answer. No. The only context I have ever heard of her is in the press reports.
Question. Okay. So CommerceCorp does not do any business with the Ban Chang Group?
Answer. Not—no.
Question. Does Ban Chang Group mean anything to you?
Answer. No.
Question. Have you ever heard of that group before?
Answer. No.
Question. Have you ever heard of Martha Schoffner?
Answer. Not that I recall.
Question. Have you ever met Ms. Martha Schoffner?
Answer. No.
Question. Did Mr. Middleton ever visit Mr. Charlie Trie at Mr. Trie's apartment at the Watergate?
Answer. I don't know.
Question. Do you know who Keshi Zahn is? And again, we are happy to write those names down if you need to see them in writing.
Answer. I believe she worked with Charlie or for Charlie.
Question. Did you ever meet Ms. Zahn?
Answer. No.
Question. Did you ever talk to Ms. Zahn?
Answer. Yes. She may have called to leave messages, but I don't recall anything specific.
Question. Do you recall how you have the impression that she worked with Mr. Trie in some capacity?
Answer. Well, I know I have the memory from reading it in the newspaper, but I think—I think I called her Keshi, which is why I remember her. I am not sure how I saw her name, but I do—I might have taken a message from her before.
Question. Do you know who Lap-Seng Ng is?
Answer. Yes.
Question. Okay. Have you ever met Mr. Ng?
Answer. May I clarify my answer?
Question. Yes.
Answer. I have heard the name, and I know the name by sight because it is so unusual, but, no, I have never met him, and I don't really have a great knowledge as to who he is.
Question. Have you ever spoken to him, to Mr. Ng?
Answer. No.
Question. We overlapped. Have you ever spoken to Mr. Ng?
Answer. No.
Question. Do you know who Elin Outlaw is?

Answer. No; neither one.
Question. Elin Outlaw?
Answer. No.
Question. Do you know who E-Mei Trie is?
Mr. LUSKIN. I was making a remark off the record to my client. I interrupted you. Maybe you should ask the question again.

EXAMINATION BY MR. DHILLON:

Question. Do you know who E-Mei Trie is?
Answer. No.
Question. Do you know who Antonio Pan is?
Answer. I have heard the name, but I don't know who he is.
Question. Have you ever met Antonio Pan?
Answer. No.
Mr. LUSKIN. I think this part of the deposition is harder for you than for the witness.
Mr. DHILLON. Right.

EXAMINATION BY MR. DHILLON:

Question. Was Mr. Middleton conducting any type of business with Mr. Trie?
Answer. No, not that I know of.
Question. How much time did Mr. Middleton spend with Mr. Trie?
Answer. I have no idea. He called once in awhile. That's all.
Question. Did Mr. Trie stop over at the office more than once while you were there, at the CommerceCorp office?
Answer. Once, maybe twice.
Question. Did Mr. Trie and Mr. Middleton have any clients together?
Answer. Not that I know of.
Question. Did they ever form a corporation or partnership?
Answer. No.
Question. Did Mr. Middleton or—and Mr. Trie ever travel together?
Answer. Not that I know of.
Question. Did you ever travel with Mr. Trie?
Answer. No.
Question. Did Mr. Middleton and Mr. Trie ever meet while they were in the same country, other than the United States?
Answer. I don't know.
Question. Have you ever heard of Winston Wang?
Answer. I don't recall the name, no.
Question. So you never met a person named Winston Wang?
Answer. No.
Question. Let me re-ask that question. Have you ever met a person named Winston Wang?
Answer. No.
Question. Are you aware of any meetings between Mark Middleton and Winston Wang?
Answer. No.
Question. Do you know anything at all about Winston Wang?
Answer. No idea.
Question. Did Mr. Trie loan Mr. Middleton his car?
Let me re-ask that question. Did Mr. Trie ever loan Mr. Middleton Mr. Middleton's car—Mr. Trie's car? Let me re-ask the question again.
Answer. Sure.
Question. I object to my own question. I strike the question and I am re-asking it.
Did Mr. Trie ever loan Mr. Middleton Mr. Trie's car?
Answer. I have no idea. No, not that I know of.
Question. That wasn't worth the three questions it took to get the answer.
Now we will go with another document here. The document with control number CC-H-001147 is marked as Deposition Exhibit No. 13 and is a check dated May 22nd, 1996, for $5,000.
Exhibit 13 is before you, and I ask that you please review Exhibit 13.
Answer. Yes.
[Weymouth Deposition Exhibit No. 13 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 13?

Answer. Yes.
Question. What is Exhibit 13?
Answer. It is the check I referred to earlier where Mr. Middleton made Charlie Trie a personal loan.
Question. Did Mr. Trie ever perform any services for Mr. Middleton?
Answer. No, not that I know of.
Question. Did Mr. Middleton participate in any fund-raising activities with Mr. Trie?
Answer. No, not that I know of.
Question. Was the loan personally made from Mark Middleton, or was it from CommerceCorp?
Answer. The check is written from CommerceCorp.
Question. Is the loan on the books for CommerceCorp?
Answer. Yes, and my notation on the books made at that time was for a personal loan.
Question. Did Mr. Middleton participate in any fund-raising activities with Mr. Trie?
Answer. Not that I know of.
Question. Did Mr. Middleton loan money to friends or any—on any other occasions while you were at CommerceCorp?
Answer. He gave some money for a scholarship fund for a friend from Arkansas. He loaned me money.
Question. Did Mr. Middleton loan money to anyone else while you were at CommerceCorp?
Answer. Other than those two circumstances I just mentioned, no, not that I know of.
Question. Did Mr. Middleton assist Mr. Trie in any type of fund-raising activities?
Answer. Not that I know of.
Question. Did Mr. Middleton assist Mr. Trie in getting White House tours?
Answer. Not that I know of.
Question. Did Mr. Middleton recommend Mr. Trie as a member of the commission on U.S. Pacific Trade and Investment Policy, also known as the Bingaman Commission?
Answer. I don't know.
Question. Did Mr. Middleton or anyone at CommerceCorp contact the White House regarding Charlie Trie's appointment to the commission?
Answer. Not to my knowledge.
Question. Did you ever discuss—did you ever discuss the Bingaman Commission with Mr. Trie?
Answer. No.
Question. Did Mark Middleton ever discuss the Bingaman Commission with Mr. Trie?
Answer. I don't know.
Question. I am sorry?
Answer. I don't know.
Question. Did CommerceCorp obtain any information from the Bingaman Commission proceedings?
Answer. Not that I know of. I don't recall.
Question. Did Mr. Middleton ever obtain such information?
Answer. I don't know.
Question. Did Mr. Middleton ever communicate with Kenneth Brody regarding the commission?
Answer. I don't know.
Question. Did you ever communicate with Kenneth Brody regarding the commission?
Answer. Not—no, not that I know of.
Question. Was Debbi Shon involved with the commission in any way?
Answer. I don't know.
Question. Do you know who Debbi Shon is?
Answer. Only that I believe she used to work at—not through CommerceCorp. Through my previous employment I think she was with the administration. I am not even sure if it was White House or USTR. She is now with a law firm in Australia, I believe.
Question. Do you know—did you ever have any communication with Ms. Shon?
Answer. No.
Question. Do you know if Mark Middleton ever had any—strike that.
Did Mark Middleton ever have any communications with Ms. Shon?
Answer. I don't know.

Question. Was Bob Nash involved in the commission in any way?
Answer. I don't know.
Question. Do you have any knowledge that relates to Mr. Nash and the Bingaman Commission?
Answer. No.
Question. Do you know if Mr. Middleton ever contacted Mr. Trie while Mr. Trie was overseas?
Answer. I don't recall.
Question. Did Mr. Middleton arrange a meeting with the Lippo Group for the Bingaman Commission?
Answer. I don't know.
Question. Next document, the document with control number CC-H-000034-35, is marked as Deposition Exhibit 14. It is a September 12th, 1996 facsimile cover sheet from Holli Weymouth to the office of Mr. Hashim Djojohadikusumo.
Answer. That's very good. I don't know how to say that.
Question. Attached is an August 29th, 1996 letter from Mark Middleton to Hashim Djojohadikusumo.
Exhibit 14 is before you, and I please ask you to review it.
Answer. Okay.
[Weymouth Deposition Exhibit No. 14 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 14?
Answer. Yes.
Question. What is it?
Answer. It is a cover sheet from me to Hashim with an attached letter.
Question. Who is Hashim Djojohadikusumo?
Answer. I don't know his business specifically.
Question. Did you ever meet that gentleman?
Answer. No, I did not.
Question. The letter portion of Exhibit 14, which is the second page, notes that Mr. Middleton saw Mr. Djojohadikusumo in Jakarta recently.
Answer. Uh-huh.
Question. When was Mr. Middleton in Jakarta?
Answer. I don't recall the dates of his travel.
Question. In the letter portion of Exhibit 14, Mr. Middleton also states that his, quote, friends at the Export-Import Bank were very impressed by your operation and professional management, closed quote.
Do you know who Mr. Middleton is referring to as his friends at Ex-Im?
Answer. No, I do not. And I should tell you that Mark gave me this letter to forward, and I did the cover letter, but I did not prepare the letter, nor do I have knowledge of the information that's in the letter.
Question. Do you know who the senior directors are that are referred to in the letter portion of Exhibit 14?
Answer. No, I do not.
Question. Do you know if Mr. Middleton—strike that.
Did Mr. Middleton arrange a meeting at the Export-Import Bank for Mr. Djojohadikusumo?
Answer. I don't know.
Question. Did Mr. Middleton contact any other agencies on behalf of Mr. Djojohadikusumo?
Answer. I don't know.
Question. Did Mr. Middleton arrange any meetings with Mr. Djojohadikusumo for the commission?
Answer. I don't know.
Mr. LUSKIN. By "commission" are you referring to the Bingaman Commission again?
Mr. DHILLON. The Bingaman Commission, yes.
The WITNESS. Yes. In fact, I never heard that name.

EXAMINATION BY MR. DHILLON:

Question. Have you ever heard of a person named Ernie Green?
Answer. No.
Question. Had you ever seen anyone named Ernie Green at CommerceCorp?
Answer. No.
Question. You never met anyone named Ernie Green?
Answer. No.

Question. And there were no—no business—did anyone named Ernie Green do any business with CommerceCorp?

Answer. I have never heard of anyone named Ernie Green at all.

Question. When was the last time you spoke to Mr. Charlie Trie?

Answer. Probably Secretary's Day 1996, when he gave us perfume.

Question. What was, very briefly, the substance of that conversation?

Answer. Thank you very much.

Question. When was the last time Mr. Middleton was in contact with Mr. Trie?

Answer. I don't know.

Question. The next document is a document with control number CC-H-000057-59. It is marked as Deposition Exhibit 15. It is a July 31, 1996 memo from Yau Lop Poon to Mark Middleton.

Exhibit 15 is before you, and I ask you to please review it.

[Weymouth Deposition Exhibit No. 15 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 15?

Answer. Yes, I do.

Question. What is it?

Answer. It is the letter received from Mr. Yau in our office.

Question. When was the first time you saw Exhibit 15?

Answer. When it came through the fax on or about this date, July 31st, 1996.

Question. Did you discuss Exhibit 15 with Mr. Middleton?

Answer. Yes, I did.

Question. What did Mr. Middleton tell you with respect to Exhibit 15?

Answer. Well, I remember he was just really surprised when he read through the questions. I remember him being very surprised and just kind of annoyed by the whole thing.

Question. I am sorry. You were surprised and annoyed?

Answer. He was.

Question. Mr. Middleton was?

Answer. Mr. Middleton was.

Question. Did he make any comments about the letter, any specific comments about the letter?

Answer. Not at that time. I mean, later, I remember him saying he thought he knew who the source of this was; it was someone that he had met on a business meeting who was disgruntled because a deal didn't go through or something of that sort.

Question. Did Mr. Middleton prepare a point by point response to the letter?

Answer. He prepared a response in the form of a letter. I don't believe it went point by point.

Question. Did Mr. Middleton discuss—let me back up. Exhibit 15 is three pages long, correct?

Answer. Yes, it is.

Question. And it has numbered paragraphs which number up to 12 on the third page.

Answer. Yes.

Question. Did Mr. Middleton discuss—and those numbered paragraphs—and if you need to glance at it, to look at it again to answer this question, that's fine. But those numbered paragraphs are questions to Mr. Middleton; is that correct?

Answer. Correct.

Question. Did Mr. Middleton discuss any of the—of these questions or his answers to these questions with you?

Answer. Again, I saw the response that he sent out, and, again, the only thing I remember him saying was just that, you know, again, that it was—he thought he knew who the source was; that it was someone that was disappointed in a business deal that didn't go through.

Question. Did he discuss point by point his response to these questions with you?

Answer. Not any specifics that I can recall.

Question. Were any drafts of a response, a point by point response, ever made to these questions?

Answer. No. The only response that was made was the—I think it was a one- or two-page letter that Mark sent back to Mr. Yau where he did address the issues that were raised.

Mr. LUSKIN. Did he indicate whether or not he thought that the allegations were true?

The WITNESS. I mean, he thought it was ridiculous.

Mr. LUSKIN. I am sorry. You just said a moment ago that someone was saying it because they were disgruntled. Is there any implication that was conveyed there?

The WITNESS. No, sorry. He thought it was ridiculous, and I think he was a little bit incensed. He wanted to be helpful because this is a decent publication. He did want to respond to the editor there to clarify anything that could have been confusing, and I believe he did try to convey to him that, you know—that there was absolutely nothing here, and that he would hate to see him print something and, you know, just that—you know, that it was ludicrous.

Mr. DHILLON. It is a little early for a break, but I could use one for 5 or 10 minutes, if you don't mind.

[Recess.]

EXAMINATION BY MR. DHILLON:

Question. The next exhibit is a document with control No. CC-H-000056, is marked as Deposition Exhibit 16. It is an August 5th, 1996 facsimile from Holli Weymouth to Yau Lop Poon.

Exhibit 16 is before you, and I ask that you please review it.

Answer. Okay.

[Weymouth Deposition Exhibit No. 16 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 16?

Answer. Yes, I do.

Question. What is it?

Answer. It is a fax from me to Mr. Yau, the editor-in-chief.

Question. And is it a fax that's in response to something?

Answer. Yes, it is in response to the fax list of questions that we received.

Question. And that was the document marked as Deposition Exhibit 15?

Answer. Yes.

Question. Now, in the letter which is marked as Exhibit 16, you state that you will be willing to get answers to some of the preliminary factual issues about which Mr. Yau Lop Poon inquired. Did you, in fact, do that?

Answer. I believe the only response that we sent was the letter that Mark eventually wrote.

Question. And that would be a letter other than this letter?

Answer. Yes.

Question. So you didn't obtain any of the information that is described in the letter?

Answer. No, I——

Mr. LUSKIN. Which letter?

Mr. DHILLON. You are right. We have a couple.

EXAMINATION BY MR. DHILLON:

Question. Did you ever obtain any of the answers to some of the preliminary factual issues as you set forth in Exhibit 16?

Answer. No. We never sent him any other response, other than the letter that Mr. Middleton wrote.

Question. In that letter, which is marked as Exhibit 16, you state that Mr. Middleton is traveling in Asia during the month of August. Do you know specifically where Mr. Middleton went during that time?

Answer. No, I don't recall.

Question. Are there any records at CommerceCorp that would indicate where Mr. Middleton traveled during that time?

Answer. If there are, I am sure we have turned them in. I don't have a list of itineraries, no.

Question. Do you routinely keep itineraries for Mr. Middleton's travel?

Answer. No.

Question. Do you recall anyone who Mr. Middleton met with during that 1996—that August 1996 Asia trip?

Answer. No.

Question. The next document is the document with control number CC-H-000543. It is marked as Deposition Exhibit 17, and it is a September 24th, 1996 letter from Mr. Middleton to

Yau Lop Poon.

Exhibit 17 is before you, and I ask you to please review it.

[Weymouth Deposition Exhibit No. 17 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 17?
Answer. Yes, I do.
Question. What is it?
Answer. It is the letter of response sent by Mr. Middleton to Mr. Yau.
Question. Did Mr. Mark Middleton—or did Mr. Middleton write this letter?
Answer. Yes, he did.
Question. Did he have any assistance from anyone else in drafting the letter?
Answer. I don't know.
Question. Did you assist Mr. Middleton in drafting the letter?
Answer. I assisted in typing it.
Question. You typed the letter?
Answer. Yes.
Question. Okay. You didn't assist him in writing the letter?
Answer. No.
Question. In Exhibit 17, Mr. Middleton refers to a trip to Singapore. When did Mr. Middleton travel to Singapore?
Answer. Can I guess?
Mr. LUSKIN. Do the best you can.
The WITNESS. I am assuming on the letter here, on what I have seen right now, that was probably one of the stops on his travel in August was to Singapore.

EXAMINATION BY MR. DHILLON:

Question. So when I asked you previously about the August 1996 trip——
Answer. Right.
Question. From the documents that you have seen before you as exhibits, you have concluded that Singapore was probably one of his stops; is that correct?
Answer. Yes, that's correct.
Question. Mark Middleton also mentions Oei Hong Leong. Do you know who that is?
Answer. Oei Hong Leong, yes.
Question. How do you know him?
Answer. He is a business contact of Mark's in Singapore. He is related to the Widjaja family in some way.
Question. Okay. How is he related to the Widjaja family?
Answer. I think he is a brother. Their businesses are all separate.
Question. Is Mr. Leong a client of CommerceCorp?
Answer. No.
Question. In Exhibit 17, Mr. Middleton states that Mr. C.P. Chan is a primary source for the questions posed to Mr. Middleton. Who is C.P. Chan?
Answer. I do not know. I had not heard his name until this letter.
Question. Did you ever speak to C.P. Chan after the letter was written?
Answer. No.
Question. Did Mr. C.P. Chan ever come to the CommerceCorp offices?
Answer. No.
Question. Do you have any knowledge about what C.P. Chan does or anything else about him?
Answer. No, only that I believe he is a consultant.
Question. Okay. Do you know where?
Answer. No.
Question. Okay. Do you know if Mr. C.P. Chan goes by any other names?
Answer. I don't know.
Question. Have you ever heard of Chao-Ping Chan or Chao-Ping Chin?
Answer. No. Again, this Chan, that's the only Chan I know. I don't know whether those initials stand for the same thing or not.
Question. Okay.
Mr. LUSKIN. Off the record.
[Off-the-record discussion.]

EXAMINATION BY MR. DHILLON:

Question. Let's go back on the record.
Who is Mr. Leong the brother of?
Answer. Sukma and Tegugh Widjaja.
Question. Do you know who Liu Tai-ying is?
Answer. Again, it is a name I only became familiar with in the context of this letter.

Question. Did Mr. Middleton invite Mr. Lui Tai-ying to the United States for the purpose of meeting with President Clinton?

Answer. I have no idea.

Question. Did Mr. Middleton take Mr. Tai-ying to a fund-raiser which was attended by the President?

Answer. I have no knowledge of that other than press reports.

Question. What do you know about Lui Tai-ying?

Answer. Nothing really, other than what I have read in the papers.

Mr. LUSKIN. I don't want to divert you from any line of questioning you want to pursue, but my understanding is that these allegations and the interaction with Dr. Lui are basically between April and October of 1995, which is before the witness had any contact with Mr. Middleton. You certainly are free to ask anything you want. I am just putting that out there for whatever benefit it gives you.

Mr. DHILLON. Just so counsel is aware, one of the reasons I am asking what would be probably a very broad kind of question is because if the answer is what it was, I can more quickly go through the deposition.

Mr. LUSKIN. Right.

The WITNESS. I understand.

Mr. LUSKIN. And please don't understand me as interposing an objection here.

Mr. DHILLON. I understand. That's fine.

EXAMINATION BY MR. DHILLON:

Question. Do you know a person named Fred Li, last name L-I?

Answer. Again, only through the allegations made.

Question. Do you know anything at all about Fred Li other than what you have read in Exhibit 17?

Answer. No.

Question. You never met him?

Answer. No.

Question. He never came to CommerceCorp's offices, did he?

Answer. No.

Question. Mr. Middleton never talked about him to you?

Answer. No.

Question. Did Fred Li have any business relation with CommerceCorp?

Answer. No.

Question. Did Mr. Charlie Trie ever—or did Mr. Charlie Trie accompany Mark Middleton on the August trip abroad to Asia?

Mr. LUSKIN. Was this August of 1996?

Mr. DHILLON. 1996. I am sorry.

EXAMINATION BY MR. DHILLON:

Question. Strike that last question.

Do you know if Mr. Charlie Trie accompanied Mr. Mark Middleton to the August 1995 trip to Taiwan that's referenced in that letter?

Answer. I don't know.

Question. Does CommerceCorp do any business with Formosa Plastics?

Answer. No.

Question. The next document is a document with control number CC-H-000157. It is marked as Exhibit—Deposition Exhibit 18. It is a September 6th, 1996 memo from Mr. Middleton to Mack McLarty regarding a meeting on September 9th, 1996.

Exhibit 18 is before you, and I ask you to please review it.

Answer. Yes.

[Weymouth Deposition Exhibit No. 18 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 18?

Answer. No.

Question. Do you know who the "meeting participant" referred to in Exhibit 18 is?

Answer. No.

Question. Deposition Exhibit 19 is a receipt bill from the Hay-Adams Hotel. It does not have a document control number. Exhibit 19 is before you, and I ask you to please review it.

[Weymouth Deposition Exhibit No. 19 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 19?
Answer. Other than I have never seen it before, no.
Question. At the top of Exhibit 19 is the name "Riady James Mr.," and below it says, "C/O H. Weymouth."
Answer. Yes.
Question. Is that you?
Answer. I guess. I would assume so.
Question. The address on the document, on Exhibit 19, is 1455 Pennsylvania Avenue, Suite 560, Washington, D.C. Is that the address of CommerceCorp?
Answer. Yes, it is.
Question. Why was Mr. Riady's bill for the Hay-Adams Hotel made to your care?
Answer. It looks like we made a reservation for him, and they secured it with our card, and we paid for his room.
Question. Okay. Do you—were you the person that did that?
Answer. Yes, I would have been. I think he paid for it——
Mr. LUSKIN. Pardon?
Mr. DHILLON. I can ask some questions.
Mr. LUSKIN. Yes, why don't you. Just clarify this.

EXAMINATION BY MR. DHILLON:

Question. Did CommerceCorp pay for Mr. Riady's stay at the Hay-Adams that is reflected in Exhibit 19?
Answer. Yes, I believe we did.
Question. Was that done through a credit card?
Answer. Yes, it would have been through a credit card.
Question. And is that a credit card issued to CommerceCorp?
Answer. Yes.
Question. And you had access to that card and that card number for the purposes of making such reservations?
Answer. Yes. Yes.
Question. Why did Mr.—why did CommerceCorp pay for Mr. Riady's hotel stay at the Hay-Adams Hotel?
Answer. He is a friend of Mark's. I assume Mark was—I mean, I would be venturing a guess, that they were working on something together.
Question. Do you know why CommerceCorp paid for Mr. Riady's hotel?
Answer. No.
Question. Did Mr. Middleton meet with Mr. Riady while he was staying at the Hay-Adams Hotel?
Answer. I don't know.
Question. Is Mr. Riady, Mr. James Riady, a client of CommerceCorp?
Answer. No, he is not a current client.
Question. Was he ever a client of CommerceCorp?
Answer. I am sorry. No, he wasn't.
Question. Did Mark Middleton set up a meeting between Mr. Riady and Mr. McLarty around the time of Mr. Riady's stay at the Hay-Adams Hotel as evidenced by Exhibit 19?
Answer. I don't know.
Question. Do you know if there was a meeting held at all involving Mr. Middleton or Mr. Riady while Mr. Riady was in town——
Answer. I don't know. It is——
Question. During——
Mr. LUSKIN. Wait for him to finish his question before you answer.
The WITNESS. I am sorry.

EXAMINATION BY MR. DHILLON:

Question. During the time reflected on the bill, which comprises Exhibit 19?
Answer. I don't know. I don't really have much recollection of Mr. Riady being in town.
Question. Did Mr. Riady attend any campaign or DNC fund-raising events during his visit to Washington, D.C. during the times reflected—in or about the times reflected by the hotel bill which constitutes Exhibit 19?
Answer. I don't know.
Question. Did Mr. Middleton have lunch at the White House the week of September 4th, 1996, with Mr. Riady?
Answer. I don't know.

Question. You didn't attend such a lunch, did you?
Answer. No.
Question. The next document is a document with control number CC-H-000522-523. It is marked as Deposition Exhibit 20 and is a September 16th, 1996 facsimile from Mark Middleton to James Riady.
Exhibit 20 is before you, and I ask that you please review it.
Answer. Okay.
[Weymouth Deposition Exhibit No. 20 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 20?
Answer. No.
Question. Do you know why Mr. Middleton faxed this document—strike that question.
Do you know why Mr. Middleton faxed Mr. Riady this document?
Answer. No.
Question. Did Mr. Middleton ever work with any—on the fund-raising matters with Mr. Riady?
Answer. Not that I know of.
Question. Did Mr. Middleton assist Mr. Riady in organizing a July 30th, 1996 dinner attended by the President?
Answer. Not that I know of.
Question. Did Mr. Middleton ever solicit any contributions, political contributions, from Mr. Riady?
Answer. No, not that I know of.
Question. Did Mr. Middleton ever solicit any contributions from any member of the Riady family?
Answer. No, not that I know of.
Question. Did Mr. Riady visit the CommerceCorp offices at any time?
Answer. Yes.
Question. Okay. When?
Answer. Oh, goodness. Maybe—the summer of 1996. I am guessing. I honestly don't recall. I only met him once briefly.
Question. How many times did Mr. Riady visit the CommerceCorp offices?
Answer. Just once, that I know of.
Question. Did anybody accompany Mr. Riady?
Answer. No.
Question. What did Mr. Riady do when he arrived?
Answer. He and Mr. Middleton left for dinner.
Question. Did Mr. Riady ever call Mr. Middleton at CommerceCorp?
Answer. Yes.
Question. How often would he call?
Answer. Off and on. Not very often, that I know of.
Question. More than once a week; less than once a week?
Answer. I didn't take all the phone calls, so I don't even have a good estimate.
Question. Once a month?
Answer. Once every couple of weeks maybe. I am not sure honestly.
Question. Other than the ones you took, though, just excluding that, were there other ones that others may have taken or calls that you answered that Mr. Riady was involved?
Answer. That would have been very infrequently, you know, just now and then.
Question. But you believe he called at other times when you didn't answer the phone?
Answer. I am assuming. I don't know.
Question. Did Mr. Riady ever call you?
Answer. Not that I recall.
Question. Does Mr. Riady correspond with you, or has Mr. Riady corresponded with you or Mr. Middleton?
Answer. He has never corresponded with me, and I don't recollect any specific correspondence to Mr. Middleton.
Question. Has Mr. Middleton ever arranged any meeting with any government officials for Mr. Riady?
Answer. I don't know.
Question. Have you ever arranged any meetings with government officials for Mr. Riady?
Answer. No, not that I recall.
Question. Now, do you know who Mochtar Riady is?

Answer. I believe it is James Riady's father.
Question. Have you ever met him?
Answer. No.
Question. Has Mr. Middleton ever arranged any meeting with any government officials for Mochtar Riady?
Answer. I don't know.
Question. Have you ever arranged any meetings with any government officials for Mochtar Riady?
Answer. No. My knowledge of Mochtar Riady is only through reading biographies and things about James Riady, and they mention Mochtar as his father; again, press reports.
Question. Do you know who Hashim Ning is?
Answer. Excuse me?
Question. Hashim Ning?
Answer. It doesn't sound familiar. I don't recollect, no.
Question. So you don't know anything about Hashim Ning?
Answer. Not that I recall.
Question. Let me ask the question this way. Do you know anything about Hashim Ning?
Answer. No.
Question. Did Mr. Middleton ever mention Hashim Ning to you?
Answer. No.
Question. Have you ever heard of Arief Wiriadinata?
Answer. May I see the name?
Question. Yes.
Answer. Yes. It is familiar, but I am not sure who it is. I may have seen it on documents.
Question. Did you ever meet anybody by that name?
Answer. No.
Question. Did you ever talk to anybody on the phone by that name?
Answer. Unless it—no, not that I can recall.
Question. Do you know if Mr. Middleton ever talked to anybody on the phone by that name?
Answer. I don't know.
Question. Do you know who Soraya Wiriadinata is?
Answer. No.
Question. Do you know anything at all about Soraya Wiriadinata?
Answer. No.
Question. Did Mr. Middleton ever mention anything about Soraya Wiriadinata to you?
Answer. No. I know them from the press. That's how I knew who they are. But I have only read the names in the newspaper. It finally dawned on me. Sorry.
Question. Okay. Do you need—are you answering the question differently?
Answer. No. I finally remembered why the name was familiar to me. It is from reading the press reports——
Question. Okay.
Answer. Where they are mentioned.
Question. Okay. All right. Are you familiar with the Sinar Mas Group?
Answer. Yes, I am.
Question. Okay. What is that?
Answer. The Sinar Mas Group is—they are one of our clients. They have four main businesses. We work on different issues for them.
Question. They have four main businesses?
Answer. Well, the Sinar Mas Group. It is—there are four areas that they work in.
Question. And the Sinar Mas Group is a client of CommerceCorp?
Answer. Yes, it is.
Question. Are you familiar with the Widjaja family of Indonesia?
Answer. Yes, I am.
Question. And is there a relationship between the Widjaja family and this Sinar Mas Group?
Answer. Yes, the Widjaja family is the principal family that runs the company, that runs the Sinar Mas Group.
Question. Next document is a document with control number CC-H-000515. It is Deposition Exhibit 21 and it is a September 18th, 1996 memo from A.P. Nilo to Mark Middleton. And the document has been redacted. It is Exhibit 21 is before you, and I ask you, please, to review it.
Answer. Yes.

[Weymouth Deposition Exhibit No. 21 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 21?
Answer. Yes.
Question. What is it?
Answer. It is a fax memo received to Mr. Mark Middleton, from the Sinar Mas Group. It doesn't say. I wasn't sure who it was from.
Question. What are the four companies or four—are there four companies that make up the Sinar Mas Group?
Answer. It is—the Sinar Mas Group is involved in four principal areas of business. They work in financial services, pulp and paper, real estate and agra business.
Question. Is that—is the group composed of four different companies that have responsibility for each of those areas?
Answer. Not necessarily. They have many different—well, Asia Pulp and Paper is a group that we work with largely and that is the pulp and paper division.
Question. Were there any——
Answer. Whether they are direct companies, I don't think that they are direct companies that correspond to the other segments.
Question. Okay. So the other three divisions were just divisions of the Sinar Mas Group?
Answer. Right.
Question. Not separate entities or separate companies?
Answer. Correct.
Question. Let's go back to Exhibit 21. Who is A.P. Nilo?
Answer. Mr. Nilo worked with the Sinar Mas Group.
Mr. DHILLON. Let's go off the record for a moment, please.
[Off-the-record discussion.]
Mr. DHILLON. We will go back on the record, please.
Mr. LUSKIN. Staying off the record for a second.
Mr. DHILLON. Okay.
[Off-the-record discussion.]

EXAMINATION BY MR. DHILLON:

Question. Back on the record, please. Who is A.P. Nilo?
Answer. Mr. Nilo is employed by the Sinar Mas Group.
Question. And who is Adolf Ratulangi?
Answer. I am not sure. I believe he is someone's administrative assistant. He is the executive assistant to someone. I am not sure who that refers to.
Question. Who is Bp. Eka?
Answer. Bp. Eka. Eka Widjaja is the father, or the oldest member of the Widjaja family who originally started the company back in the '40s.
Question. Have you ever met with Mr. Eka?
Answer. Yes.
Question. Where?
Answer. I met Mr. Eka Widjaja when he came to the United States, during the time of the World Bank, IMF Conference.
Question. And when was that?
Answer. That was in, I want to say October of 1996.
Question. And where did you meet him?
Answer. Well, first I met him with a van out on the street, in the hotel, downstairs, I should say, and we escorted them to the White House for their tour.
Question. And when you say "we," who are you referring to?
Answer. Actually, myself, we, CommerceCorp, but me individually.
Question. And you had previously described a tour at the White House for the Widjaja family?
Answer. Uh-huh.
Question. Is that the tour you are referring to when you say you escorted them to their tour?
Answer. Yes, it is.
Question. Did you meet with Mr. Eka at any time after the tour?
Answer. No.
Question. So that was the only time you met with him?
Answer. Uh-huh.
Question. Was that the van escorting him to the tour?
Answer. Yes, it was.
Question. Who attended the tour?

Answer. I will try to recollect. It was Mr. Eka Widjaja, his wife, I believe, Mr. Nilo, one of the Widjaja sons, I think it was—I am not sure which son, and his wife, but it was another son and his wife. I think it was Indra, Indra Widjaja.

Question. Did anyone of the Widjaja family ask Mr. Middleton to arrange for lunch at the White House?

Answer. Yes, I believe they did have a lunch at the White House.

Question. Did you make the arrangements for that?

Answer. I don't recall. I may have.

Question. Had you ever made arrangements before or after for anyone to have lunch at the White House with Mr. Middleton?

Answer. We made the arrangements for the Widjaja family, and the party with Mr. John McAlister, and Mr. Zhou, that we talked about.

Question. Did Mr. Middleton arrange for Bp. Eka to meet with the President?

Answer. No, not that I know of.

Question. Did Mr. Middleton arrange for Bp. Eka to meet with the First Lady?

Answer. I believe that that is the instance I was talking about, where I believe they were—no, wait. I don't know, honestly.

Question. Did Mr. Middleton arrange any meetings with other White House officials for Bp. Eka?

Answer. I don't recall what their schedule was. I know they were very busy with the IMF Conference, and I only remember meeting them and taking them over to the White House and leaving them at the gate. They had different ceremonies. He was being honored as the emerging market CEO of the year by the World Bank, IMF Conference, that is why he was in Washington.

Question. Did Mr. Middleton arrange for any meetings between Mr. Eka and anyone from the DNC?

Answer. No.

Question. Do you know who Tegugh Ganda Widjaja is?

Answer. Tegugh Widjaja is one of the sons of Mr. Eka Widjaja.

Question. Did you ever meet him?

Answer. Yes, I believe. Hold on for a minute. No, I have not met Tegugh Widjaja.

Question. Did you ever talk to him on the phone?

Answer. No.

Question. Did Mr. Middleton arrange any meetings for Tegugh Widjaja with any government official?

Answer. Not that I know of.

Question. Did Mr. Middleton arrange any meetings for Tegugh Widjaja with anyone from the DNC?

Answer. Not that I know of.

Question. Do you know who Sukmawati Widjaja is?

Answer. Sukma is the daughter.

Question. Did you ever meet Sukmawati Widjaja?

Answer. Yes, I have.

Question. When?

Answer. I met her on several occasions. Once in Washington, once in different parts of the United States when we were on business.

Question. Approximately how many times have you met her?

Answer. Three.

Question. And what were the purposes of those meetings?

Answer. Again, business related meetings. We were introducing them to potential U.S. companies that they could do business with, that they could form partnerships with. One instance helping a U.S. company that wanted to enter their market and they had an interest in developing that segment of their business.

Question. When you say "we," who are you referring to?

Answer. CommerceCorp.

Question. Did you ever meet with Ms. Widjaja with Mr. Middleton?

Answer. Yes.

Question. Did Mr. Middleton ever arrange meetings for Ms. Widjaja with any government official?

Answer. Not that I know of.

Question. Did Mr. Middleton ever arrange any meetings with Ms. Widjaja with anyone from the DNC?

Answer. Not that I know of.

Question. Do you know who Wenny Limantara is?

Answer. I think that is the name of the wife of Indra Widjaja, who is the other son, who I believe accompanied Eka Widjaja during that conference.

Question. Go ahead.

Answer. You have Mr. Eka Widjaja, you have Tegugh, Sukma, Indra, and Frankie, and those are the children that now run the businesses, and I believe Wenny is Indra's wife.

Question. Okay. Is Wenny Limantara affiliated with the Sinar Mas Group?

Answer. Only that she is married to one of Mr. Widjaja's sons.

Question. Has Mr. Middleton arranged any meetings for Wenny Limantara with any government officials?

Answer. Not that I know of.

Question. Has Mr. Middleton arranged meetings for Wenny Limantara with anyone from the DNC?

Answer. No.

Question. Do you know a person by the name of Oei Tjie Goan, and we are happy to write that out for you?

Answer. Please. It doesn't sound familiar. No, it doesn't look familiar at all.

Question. So you don't know anything about Oei Tjie Goan?

Answer. No.

Question. Let me re-ask the question. Do you know anything about Oei Tjie Goan?

Answer. No.

Question. Has Mr. Middleton arranged for any meetings between A.P. Nilo with any government official?

Answer. Not that I know of.

Question. Has Mr. Middleton arranged for any meetings with A.P. Nilo with anyone from the DNC?

Answer. No.

Question. Do you know who Gus Nilo is?

Answer. Yes.

Question. Who is Gus Nilo?

Answer. They are the same person. It is the managing director, I believe, is his title, for Sinar Mas.

Question. That is my next question. What is A.P. Nilo's title with Sinar Mas?

Answer. I believe it is managing director.

Question. Is he a member of the Widjaja family?

Answer. No, he is not a family member.

Question. The next document. The document with control number CC-H-000571 is Deposition Exhibit 22 and is a February 5, 1996, memo from Mark Middleton to Molly Varney. It is now before you and I ask that you please review it.

Answer. Okay.

[Weymouth Deposition Exhibit No. 22 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 22?

Answer. No, and I don't believe I was working at CommerceCorp at this time.

Question. Do you know who Mark Jimenez is?

Answer. Mark Jimenez was a client of CommerceCorp.

Question. Was he a client of CommerceCorp at the time you started?

Answer. Yes, he was.

Question. Is he presently a client of CommerceCorp?

Answer. No, he is not.

Question. Do you know when he stopped being a client of CommerceCorp?

Answer. I believe they had a contract. I am not sure of the date that the contract expired.

Question. Do you know who Carlos Mersan is?

Answer. No, not off the top of my head.

Question. What do you know about Carlos Mersan?

Answer. I am guessing. I don't really know who he is. He is a lawyer, and he represents someone, and maybe he is—oh, he is affiliated with President Wasmosy of Paraguay. I am not sure if he is a counsel to him or adviser or something like that.

Question. Do you have any knowledge of a meeting between Mark Middleton, Mr. Jimenez, and Mr. Mersan with Mr. Mack McLarty?

Answer. No. May I say, I don't know if this is important, but I am dredging up who this person is, and I think it is from articles I have read in the press that mention this individual's name, but I have no direct knowledge. That is why I am very fuzzy on exactly what his position or title is.

Question. You are saying "this individual," and I have already interposed a question, so do you want to clarify?

Answer. Mr. Mersan.

Question. Do you know if Mr. Middleton arranged any meetings for Mr. Jimenez with any government officials?

Answer. I don't know.

Question. The next document with control CC-H-000573 is Deposition Exhibit 23 and it is a February 6, 1996, memo from Sandy McClure for Mark Middleton to Yusuf Khapra and that is before you and I ask that you please review Exhibit 23.

Answer. Yes.

[Weymouth Deposition Exhibit No. 23 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 23?

Answer. No.

Question. Do you know if Mr. Middleton arranged White House tours for Carlos and Irene Mersan, Mark Jimenez, and Luz Gonzales?

Answer. Again, this is before I began working at CommerceCorp, so all I know is what I see here.

Question. Let me re-ask the question. Do you know if Mr. Middleton arranged White House tours for Carlos and Irene Mersan, Mark Jimenez, and Luz Gonzales.

Mr. LUSKIN. Do you know?

The WITNESS. Personal knowledge, no. I have no personal knowledge.

EXAMINATION BY MR. DHILLON:

Question. Do you know who Luz Gonzales is?

Answer. She is the assistant to Mark Jimenez.

Question. Do you know if Mark Middleton solicited any campaign contributions from Mr. Jimenez?

Answer. No.

Question. Did Mark Middleton work with Mr. Jimenez on any—let me back up to that question. It was a poorly asked question. Did Mark Middleton solicit any campaign contributions from Mr. Jimenez?

Answer. I don't know.

Question. Okay. Did Mark Middleton work with Mr. Jimenez on any fund-raising event?

Answer. I don't know.

Question. Did Mark Middleton solicit any contributions from Mr. Jimenez for the Clinton Birthplace Foundation?

Answer. Yes.

Question. When was this solicitation made?

Answer. I don't know. I know that Mr. Jimenez did contribute to the Birthplace Foundation, I know that Mark works with that foundation, but it is not part of my job and I have no specific knowledge of it.

Question. Do you know how the contribution was solicited—A No.

Question. I will finish the question.

Answer. Sorry, go ahead.

Question. Do you know how the contribution was solicited, by phone, by mail?

Answer. No.

Question. Do you know what the amount of the contribution was?

Answer. No.

Question. Did Mr. Middleton notify anyone at the White House of Mr. Jimenez's s contribution to the Birthplace Foundation?

Answer. I don't know.

Question. Did Mr. Middleton notify anyone at the DNC of Mr. Jimenez's contribution to the Birthplace Foundation?

Answer. I don't know.

Question. The next document is a document with control number CC-H-000036. It is marked as Deposition Exhibit 24 and it is an August 30, 1996, letter from Mark Middleton to the acting district director of the Customs Service in Miami. Exhibit 24 is before you. I would ask you to please review it.

Answer. Yes.

[Weymouth Deposition Exhibit No. 24 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 24?

Answer. Yes.

Question. What is it?

Answer. It is a letter from Mark to the Customs Service.

Question. How do you recognize it? Were you the person who typed it or did you assist in writing it?

Answer. I am not sure if I typed it or if I just remember faxing it and kind of glancing over it as I faxed it.

Question. What type of application did Future Tech have pending before the Customs Service?

Answer. I don't know.

Question. Did Mr. Jimenez ask Mr. Middleton to write this letter on his behalf?

Answer. I don't know.

Question. Next is the document with control number CC-H-000033, is Deposition Exhibit 25, and is a September 18, 1996, facsimile from Holli Weymouth to Mark Jimenez. I place Exhibit 25 before you and ask you to please review it.

Answer. Yes.

[Weymouth Deposition Exhibit No. 25 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 25?

Answer. Yes.

Question. What is Exhibit 25?

Answer. It is a fax memo to Mark Jimenez, from me.

Question. All right. Exhibit 25 notes that, quote, we, closed quote, have spoken with Bob Squire's office at the DNC. Who is "we"?

Answer. We, meaning CommerceCorp International. Go ahead.

Question. No, go ahead. Finish answering the question if you have more to add?

Answer. No, I don't.

Question. What is Exhibit 25 talking about? What is the subject matter of Exhibit 25?

Answer. I believe it is in response to a request for information on firms that did polling.

Question. And how often would you or Mr. Middleton be in contact with Mr. Jimenez—strike that question. How often would you be in contact with Mr. Jimenez?

Answer. Gosh, I mean, I did different projects for Future Tech, from mango studies to other things, so I often would send through project data or the research that I found out on the different projects. This is just something random. I would say maybe once a week with his office, anyway not necessarily with Mr. Jimenez directly.

Question. You did speak with Mr. Jimenez directly, though, at times; is that correct?

Answer. Sometimes when he called for Mark and Mark wasn't in, he would ask me to find him, but beyond that, no.

Question. Did Mr. Middleton ever arrange a White House tour for Mr. Jimenez and a delegation of individuals from Paraguay and the Philippines?

Answer. Yes.

Question. Was that on or about September 30, 1996, that the tour occurred?

Answer. Yes, I believe so.

Question. Do you know who Mr. Middleton contacted at the White House regarding that tour?

Answer. I don't recall.

Question. Did you make the arrangements for the tour?

Answer. I did help out on that.

Mr. BALLEN. Are you finished with Exhibit 25?

Mr. DHILLON. I think so.

Mr. BALLEN. Can I ask a follow-up question?

Mr. DHILLON. Yes, you may.

Mr. BALLEN. Thank you.

EXAMINATION BY MR. BALLEN:

Question. You said, Ms. Weymouth, this related to polling. What were you trying to find out or come clear on for this for Mr. Jimenez?

Answer. It wasn't clear to me, either. It was just a request for information on groups that did polling.

Question. For Democratic candidates, Republican candidates, both?

Answer. Republican.

Question. Republican?

Answer. Republican candidates.

Mr. BALLEN. Thank you.

EXAMINATION BY MR. DHILLON:

Question. With respect to the tour that you assisted Mr. Middleton in arranging for Mr. Jimenez and the delegation, who did you contact regarding that tour?

Answer. I don't recall. Probably Debi Schiff, but I don't recall.

Question. Do you recall what she did to help to make the arrangements?

Answer. Just send over clearance information.

Question. Since the time you have been to CommerceCorp to the present, has Mr. Middleton ever confided in you with respect to any illegal acts he may have committed?

Answer. No.

Question. Has he ever told you that he fears or is concerned that he might have committed a crime?

Answer. No.

Question. Has he ever told you that he fears that he might have violated any rules or regulations with regard to fund-raising?

Answer. No. On the contrary. I think he is upset and hurt because he has always tried so hard to do everything correctly and to take care of things the best way that he could, and I think actually he is upset that just because he was in the wrong place at the wrong time that he is having to go through all this.

Question. Have you ever heard Mr. Middleton having a conversation with another person where he admitted to engaging in any illegal activity?

Answer. No, never at any time.

Question. Have you ever heard him having a conversation with any other person where he admitted to violating any campaign finance laws?

Answer. No, never.

Question. Do you ever socialize with Mr. Middleton?

Answer. No.

Question. Do you know who Mr. Middleton's friends are?

Answer. Some of them.

Question. Do you ever socialize with any of Mr. Middleton's friends?

Answer. No.

Question. With respect to the projects that you did for Mr. Jimenez's company, was that Future Tech?

Answer. Yes.

Question. Did Mr. Middleton work on the same projects or different projects for Future Tech?

Answer. There was some overlap but there were some things that I was specifically asked to research out that Mark just kind of looked at what I did and okayed the fax and sent it through.

Question. What was Mr. Middleton or CommerceCorp doing for Mr. Jimenez? I will re-ask the question.

Answer. No problem.

Question. What was Mr. Middleton doing for Mr. Jimenez in his—what were his projects for Mr. Jimenez?

Answer. I don't know that Mr. Middleton had independent projects. The things that we were working on ranged from, gosh, I think I mentioned there was a research project on Philippine mangos and there was some other stuff that had to do with software and development. He was looking at working with some U.S. companies in those markets, putting them together with Mr. Jimenez. Gosh, there are a couple other really silly things that I am blanking on now. I can't think of them. There were a couple smaller projects like Philippine mangos that were these crazy things that took up lots of my time in research and never went anywhere.

Question. Do you know who Myla Crespo is?

Answer. Yes, I do.

Question. Who is she?

Answer. She is Mr. Jimenez's daughter.

Question. Did Mr. Middleton arrange for Mr. Jimenez and a delegation to meet with the First Lady in Boca Raton, Florida?

Answer. I know that a delegation went there. I don't know—I don't recall how it was arranged or who was there.

Question. Was that on or about—does October 1, 1996, sound like about the right time?

Answer. It would have been around that time.

Question. Do you know who Mr. Middleton contacted to arrange that meeting in Boca Raton, Florida?

Answer. No, I don't know.

Question. Were you involved in making any of the arrangements for the meeting in Boca Raton, Florida?

Answer. I don't think so. I don't recall that.

Question. Do you know if Mr. Middleton was the one who arranged the meeting I previously described, the one that occurred in Boca Raton, Florida?

Answer. I don't know.

Question. Do you know who did arrange the meeting?

Answer. No. I do remember that there was some type of dinner or something in Boca Raton and that there was a group going down there, but I don't recall who established it or who made all the arrangements.

Question. Did Mr. Jimenez and the delegation that accompanied him attend a fund-raising dinner in Florida at that time?

Answer. I don't know.

Question. Do you know if Mr. Middleton made any arrangements for them to attend any kind of dinner?

Answer. No, I don't know. I think they were also here on that same IMF—they were in Washington on the IMF Conference and beyond that I don't really know much of their schedule.

Question. Do you know if anyone involved in that group contributed funds to the DNC so that individuals who are not U.S. citizens could attend that event?

Answer. I don't know.

Question. Do you know who Mitchell Fuerst is?

Answer. Mitchell Fuerst, I believe, is the counsel to Future Tech International.

Mr. LUSKIN. Can we take a short break?

Mr. DHILLON. Sure. We will take 10 minutes.

[Off the record 2:51 p.m. to 2:57 p.m.]

EXAMINATION BY MR. DHILLON:

Question. Back on the record.

Do you know Siti Hediati Hariyadi?

Answer. Yes.

Question. Who is she?

Answer. She is the daughter of the President of Indonesia.

Question. And that would be the daughter of President Soeharto of Indonesia; is that correct?

Answer. Yes.

Question. Is she a client of CommerceCorp?

Answer. No.

Question. Are any of her companies a client of CommerceCorp?

Answer. No.

Question. I would ask that the document with control number CC-H-00060, which is Deposition Exhibit 26, be placed before you. It is a July 22, 1996, memo from Holli Weymouth to Sheila Fennesy. Would you please review that?

Answer. Okay.

[Weymouth Deposition Exhibit No. 26 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 26?

Answer. Yes, I do.

Question. What is it?

Answer. It is a fax from me to Sheila.

Question. Did you write Exhibit 26?

Answer. Yes, I did.

Question. At the bottom of the memo—at the bottom of Exhibit 26, it mentions that Mark Middleton and Titiek need to be at the White House for a black tie event with the President.

Does Siti Hediati Hariyadi also go by the name of Titiek?

Answer. It is Titiek, but it is spelled T-I-T-I-E-K.

Question. T-I-T-I-E-K?

Answer. Right.

Mr. LUSKIN. The "E-K" is silent.

The WITNESS. It is pronounced Titiek. It took me a while, too. That is why sometimes you see T-I-T-I.

EXAMINATION BY MR. DHILLON:

Question. What event did they attend at the White House?

Answer. I believe it was a dinner.

Question. And was it a fund-raising event?
Answer. I have no idea. I don't recall.
Question. I will refer to her as Titiek since you understand who that is?
Answer. That is fine.
Question. That is Miss Hariyadi. Did Titiek attend as a guest of Mr. Middleton's?
Answer. Yes, she did. They are good personal friends, and she was his guest.
Question. Do you remember the date the event was held?
Answer. No, not particularly.
Question. The next document is a document with control number CC-H-000931, and it is Deposition Exhibit 27. It is a July 24, 1996, itinerary for Ms. Siti Hediati and Mark Middleton. Exhibit 27 is before you and I ask that you please review it.
Answer. Yes.
[Weymouth Deposition Exhibit No. 27 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 27?
Answer. Yes.
Question. What is it?
Answer. It is an itinerary for Mr. Middleton and Titiek's travel.
Question. Now does that refresh your recollection as to the date of the White House event?
Answer. Yes, I would assume—on this memo it says they needed to be back——
Question. Back up. When you say "this memo," you are referring to Exhibit 26?
Answer. On Exhibit 26, it says they needed to be back in Washington to attend the White House event and on Exhibit 27, the date of the itinerary is Wednesday, July 24.
Question. Did Titiek attend any DNC fund-raising events?
Answer. Not that I know of.
Question. Did Mark Middleton arrange for any meetings with any government officials for Titiek?
Answer. Not that I know of.
Question. Did Mark Middleton arrange for any meetings with any government officials for anyone representing any of Titiek's companies?
Answer. Not that I know of.
Question. Did Mark Middleton arrange for any meetings at the White House for Titiek?
Answer. Not that I know of.
Question. Did Mark Middleton arrange for any meetings at the White House for anyone representing Titiek's companies?
Answer. Not that I know of.
Question. Do you know who Irma Andaria is?
Answer. No.
Question. Have you ever heard the name Irma Andaria?
Answer. I don't recollect.
Question. Do you know anything about Irma Andaria?
Answer. No.
Question. Have you ever heard of a business called Penta Securities?
Answer. I believe that is one of Titiek's companies.
Question. Do you know who Rizal Satar is?
Answer. I believe he works for Penta.
Question. Does Mr. Middleton have any business relationships with any other members of President Soharto's family?
Answer. No.
Question. Has Mark Middleton arranged meetings with any government officials for any other members of President Soharto's family?
Answer. No.
Question. Has Mark Middleton arranged for any meetings with the DNC for any other members of President Soharto's family?
Answer. No.
Question. Has Mark Middleton ever solicited any campaign contributions from any member of President Soharto's family?
Answer. No.
Question. I think you previously testified about a Mr. Zhou, Z-H-O-U. Where is Mr. Zhou from?
Question. Mr. Zhou is from China.
Question. Is Mr. Zhou a client of CommerceCorp?
Answer. No, he is not.

Question. The next document is a document with control number CC-H-000087, and it is Deposition Exhibit 28, and it is a June 11, 1996, memo from Holli Weymouth to John McAlister. Deposition Exhibit 28 is before you, and I would request you please review it.

Mr. LUSKIN. Just to correct the record, Exhibit 28 is a memo to Mark Middleton from Holli Weymouth referencing a conversation with John McAlister.

Mr. DHILLON. That appears to be correct. If we can have a moment to reconcile our exhibits.

The only thing that has changed from what I said, apparently, is that this exhibit is marked as Exhibit 29 so they will be presented to you out of order in terms of number.

The WITNESS. Okay.

EXAMINATION BY MR. DHILLON:

Question. So it is Exhibit 29 that is before you and I would ask that you please review it.

Answer. Okay.

[Weymouth Deposition Exhibit No. 29 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 29?

Answer. Yes, I do.

Question. What is it?

Answer. It is a memo to Mr. McAlister from me.

Question. Who is John McAlister?

Answer. John McAlister, I believe, is director of Mr. Zhou's organization.

Question. Does he work for Mr. Zhou?

Answer. Yes, as I understand it.

Question. Did you or Mark Middleton arrange for a meeting with Jude Kearney at the Department of Commerce for Mr. Zhou?

Answer. Yes, we did.

Question. What was Jude Kearney's position at the Department of Commerce?

Answer. I don't recall.

Question. Why was Mr. Zhou meeting with Mr. Kearney?

Answer. I don't know. Again, Mr. McAlister was in charge of a broad schedule for Mr. Zhou while he was in Washington and he just asked for help on a couple of meetings.

Question. Now, your memo notes that you are working on some additional meetings. Why did Mr. Zhou need to meet with an employee of the National Security Agency?

Answer. I don't know.

Question. Did you or Mr. Middleton ever request meetings with the National Security Agency for anyone else?

Mr. LUSKIN. If we can clear this up.

EXAMINATION BY MR. DHILLON:

Question. Your memo notes you are working on additional meetings with Doris Matsui and Sandy Kristoff, correct?

Answer. Correct.

Question. Okay. Why did Mr. Zhou need to meet with an employee of the National Security Agency?

Mr. BALLEN. Objection. Who is the employee of the National Security Agency?

Mr. LUSKIN. That is what we are having trouble with.

EXAMINATION BY MR. DHILLON:

Question. Do you know who Doris Matsui or Sandy Kristoff are employed by?

Answer. Yes. Doris Matsui worked, I think, in public liaison at the White House and Sandy Kristoff, I believe, was at the State Department.

Question. Do you know why Mr. Zhou needed to meet with Sandy Kristoff?

Answer. Again, as I explained, in relation to Doris Matsui. They were just courtesy meetings. He was very interested in establishing more U.S.-China educational exchanges, betterment of relationships, and I believe Sandy Kristoff was in charge of the East Asian sector or some such position at the State Department.

Question. Did you or Mr. Middleton ever request meetings with the National Security Agency for anyone?

Answer. No, not that I know of.

Question. The document control numbered CC-H-00086 is Deposition Exhibit 29 and is a June 12, 1996, memo from Holli Weymouth to Mark Middleton.

Mr. LUSKIN. That would be Exhibit 28.

Mr. DHILLON. Thank you, counsel. I just caught that. I realized that.

EXAMINATION BY MR. DHILLON:

Question. That is 28; we have taken them out of order. Exhibit 29 was the previous one; that was CC-H-000087. This is CC-H-0086 and it is Exhibit 28. It is before you and I would ask that you review it.

Answer. Okay.

[Weymouth Deposition Exhibit No. 28 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 28?

Answer. Yes, I do.

Question. What is it?

Answer. It is a list of phone messages sent to Mark by myself.

Question. You mentioned in your memo Mr. Middleton—you mentioned—let me start again. You mentioned in your memo to Mr. Middleton, which is Exhibit 28, that Linda has confirmed lunch at the mess on June 20 for five people. Who is Linda?

Answer. I believe that was Linda Littlehale.

Question. Does "the mess" refer to the White House mess?

Answer. Yes, it does.

Question. Do you know who was contacted at the White House to arrange this lunch at the White House mess?

Answer. I believe it was Debi Schiff.

Question. Were you the person who made that contact?

Answer. I believe Linda and I both had conferred on this to some extent.

Question. So you and Linda made the arrangements for the lunch?

Answer. Yes.

Question. And that is Linda Littlehale, right?

Answer. Yes.

Question. Now who attended the lunch?

Answer. I believe it was Mr. John McAlister, Lee Williams, who is mentioned in Exhibit 28, Mark Middleton, myself, Mr. Zhou, and then I think that is it. He may have had one of his staff people with him, I don't recall.

Question. When you say "he," who are you referring to?

Answer. Mr. McAlister or Mr. Zhou, one of their other staff may have attended.

Question. You attended the lunch?

Answer. Yes, I did.

Question. Mr. Middleton did not attend that lunch?

Answer. Yes, he did.

Question. What did you discuss during that lunch?

Answer. Gosh, it was just general pleasantries and conversation, and I think Mr. Williams is somehow either on the board or involved with the Fulbright College and there was a lot of discussion over the university and the University of Arkansas and different programs and cultural exchange and Mr. McAlister's ideas for what would be good, as far as improving those kind of exchanges of information, and establishing relationships.

Question. Was any CommerceCorp business discussed?

Answer. No.

Question. Who is Graceila—do you know who Graceila Li, last name spelled L-I?

Answer. No, it may have been one of the staff people. I don't recall particularly.

Question. Did you arrange for any meetings between Doris Matsui and Mr. Zhou—hold on. I withdraw the question. Was Mr. Middleton attempting to get Mr. Zhou to become a contributor to the Fulbright Scholarship Fund?

Answer. No.

Question. At the bottom of the memo, which is exhibit—the second bullet point that is visible on the redacted page, you note that Ernie phoned with a favor. Who is Ernie? That is Exhibit 28.

Answer. Again, these are separate bullets from separate phone calls. This would be Ernie Bower of the US-ASEAN Council.

Question. Could you please spell Ernie's name, Bower, you said?

Answer. I believe it is B-O-W-E-R.

Question. The next document is a document with control number CC-H-000084. It is Deposition Exhibit 30 and it is a June 17, 1996, memo from Holli Weymouth to John McAlister. Exhibit 30 is before you and I would ask that you please review it.

[Weymouth Deposition Exhibit No. 30 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 30?

Answer. Yes, I do.

Question. What is it?

Answer. It is a document to Mr. McAlister from me.

Question. The document control number CC-H-000080-82 is Deposition Exhibit 31. It is a June 17, 1996, memo from Holli Weymouth to Becky Putens in the office of Senator Bennett Johnston. Exhibit 31 is before you and I would ask that you please review it.

[Weymouth Deposition Exhibit No. 31 was marked for identification.]

EXAMINATION BY MR. DHILLON:

Question. Do you recognize Exhibit 31?

Answer. Yes, I do.

Question. What is it?

Answer. It is a fax to the office of Senator Bennett Johnston from me with an attachment of information regarding Mr. Zhou.

Question. Okay. Exhibit 31 is three pages, correct?

Answer. Yes, it is.

Question. The first page is a facsimile transmission cover sheet; is that correct?

Answer. Yes.

Question. On the first page, facsimile transition cover sheet, what did you mean when you wrote about Mr. Zhou's proximity to the Chinese leadership?

Answer. I believe on Page 2, which is a letter to Mickey Kantor, written by John McAlister.

Question. That is Page 2 of the exhibit but Page 1 of the letter; is that correct?

Answer. Yes, on Page 1 of the letter, Mr. McAlister is introducing Mr. Zhou to Mickey Kantor, and he refers to Mr. Zhou's relationship to Madam Wu Yi, who is the MFTEC Minister of China and she is very well respected in the international trade community.

Question. So I am clear, your reference, then, on Page 1 of Exhibit 31, which is the facsimile transmission sheet to Mr. Zhou's proximity to the Chinese leadership, was a reference to something said in the letter that is attached to the facsimile transmission cover sheet?

Answer. Correct. Anyone—well.

Question. I'm sorry?

Answer. I was going to say anyone, any U.S. company would be interested in just knowing who—if someone is close to Madam Wu Yi because she is very respected.

Question. Now I know you started touching on Madam Wu Yi, and let me ask you this question. Who is Madam Wu Yi?

Answer. She is the Minister of MFTEC, which is the Ministry of Foreign Trade and Economic Cooperation, of China.

Question. Did Madam Wu Yi accompany Mr. Zhou on the trip to Washington?

Answer. No.

Question. Did you attend any of the meetings that you arranged for Mr. Zhou?

Answer. Only the meeting with Doris Matsui.

Question. Did Mark Middleton attend any of the meetings which you arranged for Mr. Zhou?

Answer. Yes, he did.

Question. And what meetings were those?

Answer. He attended the meeting with Doris Matsui, and I don't recall if he attended the other two meetings or not.

Question. Did Mark Middleton attend a party held in Mr. Zhou's honor at the home of the Chinese charge d'affaires?

Answer. I don't recall.

Question. Do you know why Mark Middleton arranged for the meetings with U.S. Government officials?

Answer. I know that he did it as a favor to Mr. McAlister.

Question. Was CommerceCorp paid by Mr. Zhou?

Answer. No, never.

Question. Was CommerceCorp—was Mr. Zhou ever a client of CommerceCorp?

Answer. No. I haven't talked to him since then.
Question. Did Mark Middleton arrange any meetings with the DNC for Mr. Zhou?
Answer. No.
Question. Did Mark Middleton arrange for Mr. Zhou to attend any fund-raising events?
Answer. No.
Question. Have you ever heard of Benny Hu, spelled H-U?
Answer. Yes, I have seen the name.
Question. Do you know Benny Hu?
Answer. No.
Question. Do you know anything about Benny Hu?
Answer. No.
Question. Was Benny Hu ever a client of Mark Middleton or CommerceCorp?
Answer. Not that I know of.
Question. Have you ever heard the name Nina Wang?
Answer. Yes.
Question. Who is Nina Wang?
Answer. Nina Wang is a former client of CommerceCorp.
Question. When you arrived at CommerceCorp, was Nina Wang a client of CommerceCorp?
Answer. Yes, she was.
Question. When did she terminate her relationship with CommerceCorp?
Answer. I believe it was sometime in the late summer of 1996.
Question. Did Mark Middleton arrange for Nina Wang to meet with Mrs. Clinton?
Answer. I don't know.
Question. Do you know if Mark—strike that. Do you know if Ms. Wang did in fact meet with the First Lady?
Answer. I don't know.
Question. Did Mark Middleton ever take Ms. Wang to the White House?
Answer. I don't know.
Question. Did Mark Middleton ever arrange for any meetings with government officials for Ms. Wang?
Answer. Not that I know of.
Question. Did she ever arrange for any meetings with the DNC for Ms. Wang?
Answer. No, not that I know of.
Question. Did Mark Middleton ever arrange for Ms. Wang to attend any DNC fund-raising events?
Answer. I don't know.
Question. Did Mark Middleton ever solicit any campaign contributions from Ms. Wang?
Answer. No.
Question. Did Mark Middleton ever solicit any contributions to the Clinton Birthplace Foundation for Ms. Wang?
Answer. Ms. Wang is a contributor, yes.
Question. Do you know how much?
Answer. No.
Question. Do you know how Mr. Middleton made that solicitation, over the phone, by mail or some other way?
Answer. No.
Question. Have you ever heard of a person named Joe Giroir?
Answer. Yes.
Question. Do you know who Joe Giroir is?
Answer. He is the president of AIDC.
Question. Have you ever met Joe Giroir?
Answer. Yes.
Question. When?
Answer. Once he came by our office to go to dinner with Mark.
Question. Does Joe Giroir contact Mr. Middleton at CommerceCorp on a regular basis?
Answer. No. I would say once a month, maybe.
Question. You told me Joe Giroir is associated with what now?
Answer. AIDC, Arkansas International Development Corp.
Question. Is Arkansas International Development Corp a client of CommerceCorp?
Answer. Yes.
Question. What does CommerceCorp do for—it is called the AIDC?
Answer. That is what I call it, I don't know.
Question. That is what we will call it; that is no problem. What does CommerceCorp do for the AIDC?

Answer. It's not a project I work on.
Question. Do you know who works on that project?
Answer. Mr. Middleton.
Question. Do you know anything about the projects that Mr. Middleton and Mr. Giroir work on together?
Answer. No, I believe it is a consulting arrangement.
Question. Did Mr. Middleton and Mr. Giroir do business in Indonesia together?
Answer. I don't know.
Question. Has Mr. Middleton arranged any meetings with government officials for Mr. Giroir?
Answer. Not that I know of.
Question. Did Mr. Middleton and Joe Giroir work on any DNC fund-raising activities?
Answer. Not that I know of.
Question. Do you know who Mark Grobmyer is?
Answer. I have heard the name.
Question. Have you ever met Mr. Grobmyer?
Answer. No.
Question. What do you know about Mr. Grobmyer?
Answer. Only the name and what I have read in press reports.
Question. Is Mr. Grobmyer a client of CommerceCorp?
Answer. No, never.
Question. Did Mark Middleton arrange for meetings with government officials for Mark Grobmyer?
Answer. I don't know.
Question. Is Mark Middleton's brother, Larry Middleton, involved in CommerceCorp business in any way?
Answer. No.
Question. Is Mark Middleton in contact with Webster Hubbell in any way?
Answer. No.
Question. Did Mark Middleton assist Mr. Hubbell in getting a job with an affiliate of the Lippo Group?
Answer. No.
Question. Did Mark Middleton discuss hiring Webster Hubbell with James Riady?
Answer. No.
Question. Did Mark Middleton ever discuss Webster Hubbell with you at all?
Answer. No.
Question. Do you know who Y.Y. Wong is?
Answer. Yes.
Question. Who is Y.Y. Wong?
Answer. Mr. Huang is a businessman in Singapore.
Question. Is Mr. Huang a client of CommerceCorp?
Answer. No.
Question. Is his company a client of CommerceCorp?
Answer. No.
Question. Did Mr. Huang and Mr. Middleton form a company of any kind?
Answer. They did at one time. They formed a venture that was to look into international projects.
Question. Was that while you were employed at CommerceCorp?
Answer. Why?
Question. While?
Answer. While, I'm sorry. Yes, it was.
Question. Do you know the name of the company?
Answer. BEM, B-E-M.
Question. Was it a company, a venture, a partnership; do you know?
Answer. I am not sure of what the exact corporate structure was.
Question. Is it still in existence?
Answer. No, it is not.
Question. Do you know when it was formed?
Answer. I believe it was formed before I came to CommerceCorp.
Question. Do you know when it stopped or ceased existing?
Answer. Well, it never did any business. It was something that they were going to start and they never did anything with it and I don't know, officially, when it ended.
Question. Did Mark Middleton ever arrange for any meetings with government officials on behalf of Y.Y. Wong?
Answer. No.

Question. Did Mark Middleton ever arrange for any meetings with the DNC on behalf of Y.Y. Wong?
Answer. No.
Question. Do you know someone named Ouida, O-U-I-D-A?
Answer. Ouida. I think she is someone's assistant.
Question. Have you ever met her?
Answer. I'm sorry. I'm sorry, I don't recall who it is. Have I ever met her, no.
Question. Tell me everything you know about Ouida?
Answer. Just the name. It is an unusual name.
Question. You don't know whose assistant she is?
Answer. I think she might be—should I guess?
Question. No.
Answer. Okay.
Question. Only if you have some reason to believe—if you have a basis for which you are going to tell us but don't just guess. I mean, your attorney should be telling you this and I am sure he already has.
Mr. LUSKIN. He doesn't need to, you are doing a much better job.

EXAMINATION BY MR. DHILLON:

Question. I don't want you to guess, either?
Answer. Okay.
Question. Who is Nemir Kirdar; do you know?
Answer. I know the name. I don't know his business or exactly who he is.
Question. Have you ever met Nemir Kirdar?
Answer. No.
Question. Is Nemir Kirdar a client of CommerceCorp?
Answer. No.
Question. What do you know about Nemir Kirdar?
Answer. Just that, I know his name.
Question. Did Mark Middleton arrange any meetings with White House officials for Nemir Kirdar?
Answer. Not that I know of.
Question. Did Mark Middleton arrange any meetings with other government officials for Nemir Kirdar?
Answer. Not that I know of.
Question. Did Mark Middleton solicit any campaign contributions for Mr. Kirdar?
Answer. No, not that I know of.
Question. Did Mr. Kirdar contribute any funds to the Democratic National Committee?
Answer. Not that I know of.
Question. Did Mr. Kirdar attend any fund-raising events sponsored by the Democratic National Committee?
Answer. Not that I know of.
Question. Did Mr. Huang or Mark Middleton incorporate a business in the Cayman Islands?
Answer. Excuse me?
Question. Did Mr. Huang and Mark Middleton——
Mr. LUSKIN. Is this Y.Y. Wong?
Mr. DHILLON. Yes, this is back to Y.Y. Wong. I actually say "Huang" rather than "Wong," but that may not get picked up on the record.
Question. Did Mr. Y.Y. Wong and Mark Middleton incorporate a business in the Cayman Islands?
Answer. I don't know. Again, the only company I know of was BEM and I don't know the exact details of the incorporation.
Question. All right. I am completed with my questioning at this point. I would like an opportunity to confer with my counsel, my co-counsel, not my counsel, to determine if we have any further questioning and then we will turn it over to the Minority. We can take a small break.
Mr. LUSKIN. We will take a 5-minute break and you guys can caucus.

EXAMINATION BY MR. DHILLON:

Question. We are back on the record, and I have got just a few more questions. How many days during the course—during an average week is Mr. Middleton in the office?
Answer. On an average week? Two or three.
Question. Is he normally in the office all day?
Answer. No.

Question. What are his normal hours?
Answer. 11:00 to 7:00.
Question. Does he normally go out for business lunches?
Answer. Sometimes.
Question. Does he tell you about his plans?
Answer. Yes.
Question. Does he normally go out for business dinners?
Answer. Sometimes.
Question. Does he tell you about those, too?
Answer. Sometimes.
Question. Do you know where Mr. Middleton is when he is not in the office?
Answer. Most of the time. Not all of the time.
Question. He keeps in contact with you?
Answer. He does keep in contact, yes.
Question. And advises you where he is?
Answer. Yes, most of the time. We at least know where to fax things if we don't hear from him.
Question. If Mr. Middleton is not out of the country, he is in Washington, D.C., how many days would he be in the office during those periods of time?
Answer. Oh, then he would be in the office every day.
Question. So when you said he was in the office several days a week, what was that?
Answer. I am not sure.
Question. Pardon me?
Answer. Go ahead.
Mr. LUSKIN. Let him finish.

EXAMINATION BY MR. DHILLON:

Question. When is he in the office several days a week?
Answer. I was using an average representative amount of time when he is traveling in the United States and when he was traveling out of the United States what would be his amount of time in the office.
Question. On average?
Answer. On average.
Question. Does Mark Middleton also have a home in Little Rock, Arkansas?
Answer. His parents still live there.
Question. Does he have a separate home there?
Answer. No. He has an office there.
Question. Does Mr. Middleton travel to Little Rock frequently?
Answer. Lately he has been spending a lot more time with his family, yes.
Question. Before recently, how often would he travel to Little Rock?
Answer. Off and on. His girlfriend is there as well.
Question. What is the office in Little Rock for?
Answer. It's to—it's an office that receives faxes, where there is a phone, where he can make calls, a place where we can contact him.
Question. Is there any staff in the Little Rock office?
Answer. No.
Question. Okay. Is it a separate company, the office in Little Rock?
Answer. No.
Question. It is part of CommerceCorp?
Answer. Yes.
Question. Are there any records kept in the office in Little Rock?
Answer. No. All the records are kept in our office.
Question. What about faxes that are received there, how are those handled?
Answer. I don't know. I am not there.
Question. What is the address for the office in Little Rock?
Answer. I don't know that off the top of my head.
Mr. DHILLON. Mr. Ballen, you are the designated Minority counsel for the committee. Do you have any questions of this witness?
Mr. BALLEN. I do.
Mr. DHILLON. Please proceed.

EXAMINATION BY MR. BALLEN:

Question. First of all, I want to thank you very much for coming here. You have testified now for 5 hours. I know it can't be an easy experience, and I want to thank you on behalf of this committee for coming here and submitting to very wide-ranging questions of the Majority.

I will be about 5 minutes. I will try to be brief so you can go about your normal activities, which I am sure you are anxious to do.

First of all, you were asked a number of questions about special tours at the White House. I assume when you talked about special tours, you are talking about the tours that the Congressmen routinely set up, and then many people, they might have 10, 12, 15 a day special tours? In fact, there is nothing very special about special tours at the White House; is that right?

Answer. Right. As I understand, there are several kinds that are normally scheduled.

Question. And Congressmen routinely and Senators routinely set them up; is that right?

Answer. Right. Exactly.

Question. Now, have you been asked by any other official investigative body to testify or provide evidence in any of the fund-raising activities under investigation by this committee?

Answer. No, I have not.

Question. Have you been asked to provide documents or interviews to the Senate Governmental Affairs Committee, specifically the Department of Justice or the independent counsel?

Answer. I—yes. I believe there is a series of documents that we turned over to the Senate committee as well.

Question. Have you been requested to provide any documents or to be interviewed or deposed in the future by any governmental investigative body?

Answer. No.

Question. Let me just clarify, you provided the—CommerceCorp has provided documents to the Senate?

Answer. Yeah. We spent a lot of time going through every single thing that we had in the office to turn over documents.

Question. How much time have you spent providing documents to this committee and the Senate also?

Answer. I would guess that initially we spent at least 3-1/2 full days going through all of my research documents, files, piles on the floor, binders, things of that sort, and telephone bills, you know, all those copies of everything.

Question. You say initially. Since then, how much time have you spent? Three and a half days, and then on top of that how much time have you spent?

Answer. Since then, it has just been ongoing. I keep a little stack of like phone bills and things that come in that had been initially requested and make copies of things that I remember being requested so that if anything came up, we would have it.

Question. And how much of a burden to the business, the CommerceCorp, have been the requests that you have received both from the House and from the Senate?

Answer. Well, again, initially we didn't do anything but produce documents for many days; and, of course, ongoing. It is just—I think it just—keeping—I mean, keeping it on your mind. It is not easy to work on other business when you are constantly interrupted with, oh, yes, here is another situation to deal with.

Question. Have you and your employer incurred expenses in connection with responding to the demands from this committee?

Answer. Yes.

Question. Do you have any idea of the expenses you have incurred?

Answer. Including attorneys' fees and things of that sort, gosh, I would say at least by now—do you want an actual figure?

Question. Yes.

Answer. I mean, we are way into the tens of thousands of dollars. And if you want to include lost time and other things, it is much more than that, which is my profit-sharing plan, too, thank you very much.

Question. When you say much more than that, can you give us a sense of how much it is?

Answer. I would say so far it is probably, not including my time that is not spent on projects, but just including answering questions and legal fees and things, it is at least nearing $90,000, $100,000. It is a lot.

Question. This is a small business?

Answer. A very small business. It is a lot.

Question. So this has been a substantial burden on the business?

Answer. Yes.

Question. Has the committee offered to reimburse you for these expenses?

Answer. No, not that I have heard of.

Question. All right. Will you seek—do you intend—you and your counsel intend to seek reimbursement from this committee for the expenses related to this investigation?

Answer. I don't know. I mean, it is a point of concern when you are a small company.

Question. Right. You are talking about $100,000, a very small business.

Answer. Yes.

Question. You and Mr. Middleton are the——

Answer. And my ability to stay there and employed depends on whether or not we stay afloat.

Question. This investigation has put you in jeopardy perhaps, because—I don't want to put words in your mouth.

Answer. Yes.

Question. But maybe that's what you just said in essence?

Answer. Well, it has made it difficult. I think we have both had to sacrifice a lot.

Mr. BALLEN. I have nothing further. Thank you for coming in.

The WITNESS. Thank you.

EXAMINATION BY MR. DHILLON:

Question. Just a couple of questions.

Answer. Sure.

Question. Mr. Ballen started off asking you questions about the tours, and he likened the tours to those given by Congressmen and Senators. Mr. Middleton is not a Congressman or a Senator, is he?

Answer. No.

Question. All right. And how much money did CommerceCorp make in 1997—or 1996?

Answer. I don't know. I don't have the exact figures.

Question. Do you have—can you round it up or give me a round number——

Answer. No.

Question. And the amount of money or profit CommerceCorp made in 1996?

Answer. I don't know. I don't think the end-of-the-year papers are completed yet.

Question. How about the middle of the year 1996?

Answer. Again, income versus expenses, that is not a number that I would have. The accountant would be working on those questions.

Mr. DHILLON. No further questions.

Do you have any further questions, Mr. Ballen?

Mr. BALLEN. No.

Mr. DHILLON. Ms. Weymouth, thank you for coming in for this deposition. We appreciate your time.

The WITNESS. Thank you.

Mr. DHILLON. And the deposition is concluded.

[Whereupon, at 3:45 p.m., the deposition concluded.]

[The exhibits referred to follow:]

CommerceCorp International
1455 Pennsylvania Avenue
Suite 560
Washington, D.C. 20004
Tel (202) 737-9006
Fax (202) 737-9319

MEMORANDUM

TO: Bob Nash

FROM: Mark Middleton

RE: Arthur Davis

DATE: 10/4/96

It was very nice seeing you last week. Thank you for taking a few minutes from your hectic schedule to discuss our friend, Arthur Davis.

As I mentioned to you in our discussion, Arthur has been a true friend to the Administration and is deserving of very serious consideration for an Ambassadorial appointment. His professional accomplishments, public service and knowledge of international affairs uniquely qualifies him to serve the President.

I appreciate your agreeing to a personal meeting and will call Ruth to make the necessary arrangements.

You are a good friend and I look forward to seeing you.

Exhibit 1
7/1-97-Wagnarth

CC-H-000545

Fax
&
Send

September 9, 1996

Mr. G. Michael Brown
President & CEO
Foxwoods Resort Casino
P.O. Box 410, Rt. 2
Ledyard, CT 06339

Dear Mickey,

It was nice to speak to you again by telephone late last week. I enjoyed our discussion.

I am in receipt of your impressive bio and will personally deliver it to Bob Nash sometime next week. As I mentioned, Bob and I have a long standing friendship and he appreciates me bringing quality people to his attention. I would like to make a personal introduction when ~~our~~ your schedules permit.

On the business front, I am very interested in learning more about your operation and possibly finding some ways to work together on the international front. As you are aware, there are some golden opportunities popping up around the globe and U.S. companies are the preferred players.

I am trying to work my schedule out in order to visit you prior to your trip to Luxembourg. Hopefully, I'll know something soon.

Again, I enjoyed our visit and I look forward to meeting you in person.

Personally,

Mark E. Middleton

Exhibit 2

CC-H-000502

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 560
WASHINGTON, D.C. 20004
TEL: (202) 737-0006
FAX: (202) 737-0018

FACSIMILE TRANSMISSION

TO: Mark Middleton **[HOLD FOR GUEST ARRIVAL]**

FROM: Holli Weymouth

DATE: July 2, 1996

FAX: 011-6221-390-6426

Happy Landings!!

[redacted] CC-H-000067

Exhibit 3

Mark:

- I spoke with Gary Barron (305/374-4143) and conveyed that you had been working on the WH dinner but did not yet have any committments but that you would continue to work to raise money. He is appreciative of your help and feels that the dinner will have a spectacular turn out. But he still has 10 vacant seats. He spoke w/Dwayne Andreas (sp?) for about 15 minutes yesterday, also spoke with Arkman Rowe (sp?) who suggested that you were still the best person to speak with regarding invitees. Any suggestions for names you may have would still be appreciated. Needs to get names and addresses to Anne Stock ASAP. Will be in Chicago on Monday. Left beeper # 1-800-708-1045 if we have any ideas. (dinner July 12 @7:30 pm)

- Nina is in Brazil at the Maksoug Plaza Hotel Room 1506. Telephone - (5511) 253-4411 Fax - (5511) 253-4544

- Faxes sent to Gus, Titi, Sukma, Karim, Neil, Nina, Munk. Left msg for John Huang, Spielvogel, Sullivan.

REDACTED

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 560
WASHINGTON, D.C. 20004
TEL (202) 737-9308
FAX (202) 737-9318

FACSIMILE TRANSMISSION

TO: Nancy Hernreich

FROM: Mark Middleton & Holli Weymouth

DATE: August 19, 1996

FAX: 456-6703

Dear Nancy:

Walter wanted to make sure that you saw this and that it made its way to the appropriate hands. Please let us know if you need anything further.

Thank you for your help.

Best regards.

[redacted]

Exhibit 4

CC-H-000046

WALTER H. SHORENSTEIN
555 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94104

CHAIRMAN OF THE BOARD
THE SHORENSTEIN COMPANY

August 14, 1996

Dear Mr. President and Mrs. Clinton,

I am writing to request the pleasure of your company at a reception I am hosting on behalf of the Democratic National Committee on the evening of Wednesday, August 28 from 5:30-7:30 at Cafe Brauer in Chicago.

The reception is being held to recognize the DNC's Trustees and top supporters. It would be a great honor to have you with us for this special occasion.

I will be in touch with your office to provide further details.

Sincerely,

Walter

Walter H. Shorenstein

The President
and Mrs. Clinton
The White House
Washington, DC 20500-2000

WALTER H. SHORENSTEIN
555 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94104

CHAIRMAN OF THE BOARD
THE SHORENSTEIN COMPANY

August 14, 1996

Dear Mr. Vice President and Mrs. Gore,

I am writing to request the pleasure of your company at a reception I am hosting on behalf of the Democratic National Committee on the evening of Wednesday, August 28 from 5:30-7:30 at Cafe Brauer in Chicago.

The reception is being held to recognize the DNC's Trustees and top supporters. It would be a great honor to have you with us for this special occasion.

I will be in touch with your office to provide further details.

Sincerely,

Walter H. Shorenstein

The Vice President
and Mrs. Gore
The White House
Washington, DC 20500-2000

MM:

REDACTED

- Rick Watkins of Winston Bryant's office (501/376-8683) wants to know if you will serve as host of the committee for an event they are throwing on July 30 - 5PM-7PM in Wash. Pryor and Bumpers are hosting and Clinton is special guest. Need to raise 10,000 to host - event is a 2-tiered event w/photo opportunity and reception line. Please call at 501/654-6719 or call campaign offices at 501/223-3445 direct or 501/376-8683 and ask for Dinah Dale.

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 360
WASHINGTON, D.C. 20004
TEL: (202) 737-0306
FAX (202) 737-0310

September 9, 1996

BY FACSIMILE

Benny T. Hu
President
China Development Corporation
15th Floor, CDC Tower
125 Nanking East Road, Sec. 5
Taipei 10572 Taiwan, R.O.C.

Dear Benny,

I hope that you enjoyed your trip to Atlanta. I was down there a few days prior to your arrival and had a wonderful time.

It has been very hectic here since the campaign has heated up. Fortunately, the President appears to have a solid lead which should carry over until November.

There are a number of business matters that we need to discuss soon. I would like to come over and see you in the next month or so but, obviously, my responsibilities here make the timing of a trip uncertain.

I'll be traveling with Vernon Jordon next week and will certainly mention you and our friendship. If there are any specific items that you would like covered, please let me know.

I hope you and your family are doing well. You have a standing invitation to bring them to Washington, DC at any time. I hope to hear from you soon.

Very truly,

Mark

Mark E. Middleton

Exhibit 6

FACSIMILE TRANSMISSION

TO: Mark Middleton

FROM: Holli Weymouth

DATE: June 11, 1996

REDACTED

- Still working on info for the 26th w/Luz. Arthur Davis is planning to be in Washington on the 27th for a meeting at 4:00 pm before going on to NY. He would like to know if you are available for lunch or coffee earlier in the day. He will let us know re the WH coffee. Anne Brazil says they are going to augment the group w/a cap set at ten. Coffee will be in the WH map room in the afternoon. Is a definite to take place.

REDACTED

CC-H-000020

Exhibit 7

FACSIMILE TRANSMISSION

TO: Mark Middleton

FROM: Holli Weymouth

DATE: April 18, 1996

FAX: 011-6221-390-6426 [Room 2413]

The following reservation has been made for you. You will need to contact Singapore Air and pick up the new tickets in LA:

REDACTED

- John Sudarma called. He is friends with the Riady's. You met him with John Wong - Commerce Department. Needs a WH tour for his family. I sent a fax to Susan

[redacted]

Exhibit 8

CC-H-000012

FACSIMILE TRANSMISSION

TO: Mark Middleton

FROM: Holli Weymouth

DATE: April 23, 1996

FAX: 011-8610-513-4248 Room 1001

Yes, we can get the Business Times on the Internet - through Berkeley.

Susan Levine has set a tour for John Sudarma and family for May 4. She wanted me to let you know that the DNC gala was May 8.

REDACTED

CC-H-000010

Exhibit 9

FACSIMILE TRANSMISSION

TO: Mark Middleton **[Guest: Grand Hyatt Jakarta]**

FROM: Holli Weymouth

DATE: August 5, 1996

FAX: 011-6221-390-6426

Rita Lewis - (w) 202/775-7105; (h) [redacted]

Craig Smith - (re-elect) 202/331-1996; (direct) 496-5061; (h) [redacted]

Yusuf - (w) 219-6141; (h) [redacted]

Mitchell Fuerst - (w) 305/477-6406 x325; (h) [redacted]

REDACTED

Call us when you get a chance.

REDACTED Robyn Buzby called about a WH tour.

Hope you had a great weekend!!!!!!!!

[redacted]

Exhibit 10

CC-H-000015



THE AMERICAS GROUP

VIA FACSIMILE

TO: Mark Middleton

FROM: Howard Glicken

DATE: April 22, 1996

Mack has been working on arranging a meeting between President Menem and President Clinton when the President is in Miami on April 29th for a Gala Dinner I'm co-chairing. There is an issue out there that it may not be good form for the President to single out one President from the region and meet President Menem on an official basis.

What I have been able to arrange, and have not informed Mack yet, is to host a CEO Dinner to honor President Menem in Miami on April 28th. Therefore, since he will be in Miami on personal business (other business) it should be easier for us to arrange a thirty minute get-together. I've coordinated the Argentinean part through Ambassador Cheek and Alberto Kohan. I could use some help from our side in making this happen.

I would expect to invite about twenty CEO's to the Dinner. We, obviously would control the list. It would present a good opportunity to put some of our friends and prospects into the Dinner.

I'm reaching out to Mack today. Would appreciate your thoughts or comments. Good luck on your trip!

Exhibit 11

2665 South Bayshore Drive, Suite 1800, Miami, Florida 33133. Telephone: 305 858-1998. Facsimile: 305 858-1910
Washington, D.C. • Buenos Aires Argentina • São Paulo, Brazil • Santiago, Chile • Lima Peru

TELEPHONE MESSAGES
DATE: 4/22/96

TIME	NAME	TELEPHONE NO	REMARKS	ACTION
		[redacted]	Mack Mihanty will be in his office on Tuesday.	

TIME	NAME	TELEPHONE NO	REMARKS	ACTION

REDACTED

TIME	NAME	TELEPHONE NO	REMARKS	ACTION

REDACTED

TIME	NAME	TELEPHONE NO	REMARKS	ACTION

REDACTED

TIME	NAME	TELEPHONE NO	REMARKS	ACTION

REDACTED

TIME	NAME	TELEPHONE NO	REMARKS	ACTION
	Howard Glicken		Talked to Mack Mihanty today re: Lax — Everything is OK	

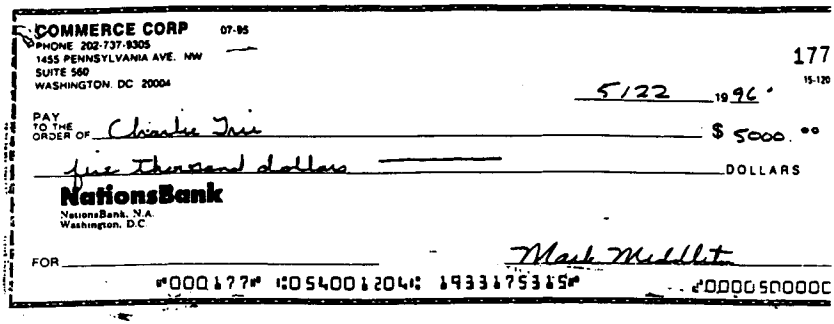
TIME	NAME	TELEPHONE NO	REMARKS	ACTION

REDACTED

CC-H-000094

[redacted]

Exhibit 12



COMMERCE CORP 07-95
PHONE 202-737-9305
1455 PENNSYLVANIA AVE. NW
SUITE 560
WASHINGTON, DC 20004

177
15-120

5/22 1996

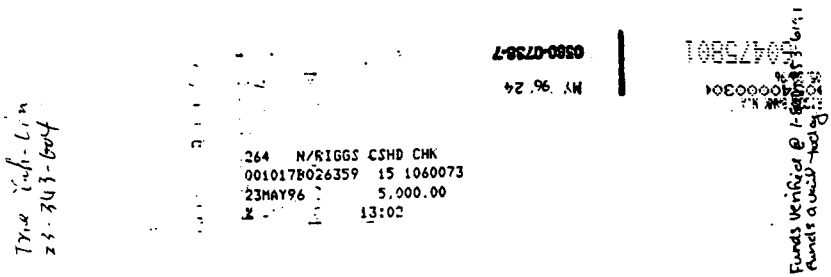
PAY TO THE ORDER OF Charlie Trie $ 5000.00

five thousand dollars DOLLARS

NationsBank
NationsBank, N.A.
Washington, D.C.

FOR Mark Middleton

⑈000177⑈ ⑆054001204⑆ 1933175315⑈ ⑈0000500000



0580-0738-7

MY '96 24

5047580 1

Trie Yah-Lin
23-343-604

264 N/RIGGS CSHD CHK
001017B026359 15 1060073
23MAY96 5,000.00
13:02

Funds Verified @ 1-800-[illegible]
Funds a [illegible]

Exhibit 13

CC-H-001147

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 360
WASHINGTON, D.C. 20004
TEL: (202) 737-9305
FAX: (202) 737-9319

FACSIMILE TRANSMISSION

TO: The office of Mr. Hashim S. Djojohadikusumo

FROM: Holli Weymouth, Director

DATE: September 12, 1996

FAX: 011-6221-251-2394

Attached is a copy of a letter sent to Mr. Djojohadikusumo from Mark Middleton on August 29. Could you please confirm receipt of the attached by return fax?

Thank you.

CommerceCorp International
1455 Pennsylvania Avenue
Suite 500
Washington, DC 20004
Tel: (202) 737-9305
Fax: (202) 737-9319

BY FACSIMILE

August 29, 1996

Mr. Hashim S. Djojohadikusumo
President & Chief Executive Officer
Cibinong Cement Co., Ltd.
BRI II Building 26th Floor, Kav.44-46
Jl. Jend. Sudirman
Jakarta 10210 P.O. Box 1197/Jkt - Indonesia

Dear Hashim,

It was very nice seeing you in Jakarta recently and subsequently talking to you by telephone. I wish that I had been in Washington during your latest visit but was happy to hear that you had productive meetings.

My friends at the Export-Import Bank were very impressed by your operation and professional management. I had previously informed the senior directors of the bank of your excellent reputation and your visionary leadership and you certainly confirmed it.

Thank you for your interest in our finding some ways to work together in the days ahead. I truly believe that with our combined strengths and relationships we can do some extraordinary things. Indonesia is one of the most exciting places in the world and I would be honored to work with your respected organization.

I'm looking forward to speaking with you again very soon and to seeing you during my visit in late September.

Thank you for your friendship.

Personally,

Mark

Mark E. Middleton

CC-H-000035

Exhibit 14

亞洲週刊
YAZHOU ZHOUKAN

To: Mr. Mark E. Middleton
Commerce Corporation International
U. S. A.

From: Mr. YAU Lop Poon
Editor-in-Chief, Yazhou Zhoukan
Hong Kong

Date: July 31, 1996

Dear Mr. Middleton:

I am writing on behalf of Yazhou Zhoukan, a newsweekly published in Hong Kong and the only international Chinese-language news magazine. We are preparing an article on your activities in the past two years in Taiwan. I would appreciate it if you could answer the following questions by facsimile to (852)2505-9672 before August 6, 1996.

1) We understamd that you were President Clinton's fundraising director in the South during the 1992 campaign and are currently a member of the executive board of the Finance Committee of the Clinton/Gore Campaign(hereafter called the Campaign). Can you confirm these titles? Have you served the Campaign in other capacities? When?

2) On June 28, 1995, your photo appeared on the San Francisco Chronicle as a member of President Clinton's re-election team. What was your official position at the Campaign at that time?

3) When did you begin serving as a executive board member of finance committee of the Campaign?.

4) We learned from our sources that you had visited Taiwan at least three times over the past two years - early April 1995, from the end of July to the beginning of August 1995 and April 1996. Were you a executive board member of the finance committee of the Campaign during those three visits to Taiwan? Was any member of the Campaign or the White House aware of your trips to Taiwan?

YAZHOU ZHOUKAN LIMITED

Exhibit 15

CC-H-000057

5) Our sources in Taiwan told us that during your visit to Taiwan in April 1995, you handed out the White House name cards that read "Mark E. Middleton, Special Assistant to the Presidnet and Deputy to the Counselor" to some of the people you met there. When did you leave the White House employment? Is it correct that your last day at the White House was February 17, 1995? If you had left the White House before Apnl 1995, why did you still distribute the White House name cards in Taiwan?

6) Sources in Taiwan also told us that during your visit to Taiwan in April 1995, you told some of the people you met there that you were instructed to ask Taipei to stop lobbying for President LEE Teng Hui's visit to the Cornell University and to raise campaign funds for President Clinton's re-election. Did you visit Taiwan on behalf of the White House and/or the Campaign? Who instructed you to act as a messenger and to solicit support for President Clinton's re-election?

7) Did you call your contact in Taipei from the U.S. at the end of April 1995 to suggest a meeting between Mr. Tai-Ying LIU, Chairman of China Development Corporation and Chairman of Business Management Committee of Kuomintang(the ruling party in Taiwan), and President Clinton?

8) We understand that Mr. Charlie TSUI, a Chinese-American businessman from Little Rock of Arkansas, joined you in both of the April and July-August 1995 trips to Taiwan. According to our understanding, Mr. Winston WANG, Senior Vice President of NanYa Plastic Corporation based in Taiwan, went to the White House and met with President Clinton on June 21, 1995 through the introduction of Mr. Tsui. Were you also involved in facilitating Mr. Wang's meeting with President Clinton?

9) We learned that during your July-August 1995 visit to Taiwan, you met with Mr. TOU Chou-Seng, the then Director of the Department of North America Affairs at the Ministry of Foreign Affairs of the Republic of China, on July 31, 1995 at a restaurant in Taipei. Subsequently, you visited Mr. Tai-Ying Liu, Chairman of China Development Corporation and Chairman of Business Management Committee of Kuomintang, at Mr. Liu's China Development Corporation's Taipei office on August 1, 1995. We are also told that during your meeting with Mr. Liu that day, Mr. Liu offered to contribute US$15 million to President Clinton's re-election and you were pleased to hear this proposition. Did you report these meetings and the conversation you had with Mr. Liu to anybody at the White House and/or at the Campaign afterwards?

10) According to your knowledge, did President Clinton meet with Mr. Tai-Ying LIU in private on or around September 22, 1995 in San Francisco? If the meeting did take place, were you and/or the Campaign involved in facilitating this meeting in any way?

11) Do you know of any political contribution made by Taiwan business or individual contributors to President Clinton's re-election?

12) Do you know that it is illegal for the Campaign to accept any contribution from foreign governments or individuals that are not American citizens or permanent residents? Are you aware of President Clinton's directives which banned his former staff from lobbying for foreign governments?

Should there be any question, please do not hesitate to contact me at my direct telephone number at (852)2515-5122. Thank you.

Sincerely,

YAU Lop Poon
Editor-in-Chief1)

CC-H-000059

Exhibit 15

CommerceCorp International
1455 Pennsylvania Avenue
Suite 560
Washington, D.C. 20004
Tel: (202) 737-9305
Fax: (202) 737-9319

FACSIMILE TRANSMISSION

TO: Mr. YAU Lop Poon
Editor-in-Chief, Yazhou Zhoukan

FROM: Holli Weymouth
Director

DATE: August 5, 1996

FAX: 011-852-2505-9662

Dear Mr. Yau:

Thank you very much for your letter dated July 31 to Mr. Mark Middleton. Unfortunately, your letter arrived just as Mr. Middleton was leaving on travel for Asia and the US. As you may know, Washington is very quiet in August and many business and government professionals attend to overseas business and their personal vacations at this time. Mr. Middleton will be out of the office for most of the month of August. I will, however, be speaking with him regularly and will notify him of your request for information. I know that Mr. Middleton would like to have the opportunity to clear up any questions and/or misunderstandings you may have regarding his activities.

If it would be helpful I will try to get the answers to some of the preliminary factual issues about which you inquired. I'm sure that Mr. Middleton will be happy to help clarify the facts surrounding personal conversations and the circumstances of any business meetings that may have occurred. If you need additional help before Mr. Middleton returns (approximately August 24th) please feel free to contact me via fax at 202/737-9319.

Thank you for your taking the time to allow us to address your inquiry.

Best regards.

September 24, 1996

Mr. Lop Poon Yau
Editor-in-Chief, Yazhou Zhoukan
151 F, Block A, Ming Pao IndustrioO Center
18 Ko Yip Street, Chai Wan
Hong Kong

Dear Mr. Lop Poon Yau:

I apologize for being unable to join you in Singapore for a dinner meeting with our mutual friend, Oei Hong Leong. Mr. Oei has spoken very fondly of you and has a great deal of respect for your work.

Since I was unable to meet you in person due to my unforgiving business schedule, I wanted to write to you in order to introduce myself and, more importantly, to clarify a number of points that you raised in your earlier correspondence to me.

As a respected journalist for an esteemed publication, I trust that you are interested in writing a fair and balanced story on the subject that you are pursuing. In order to do that, you must know the truth and must have access to unbiased factual information. Unfortunately, that has not been the case thus far.

First, I am well aware that your primary source for your piece is Mr. C. P. Chan. Mr. Chan is a former business acquaintance who is disgruntled because of unsuccessful business pursuits. In fact, his motivation for distorting alleged conversations, meetings and actions stems from his belief that he was left out of business deals (there were none) with people that he had previously introduced to me. Regardless, his veracity as a source should concern a man with your journalistic credentials.

While I do not feel it necessary to comment on the laundry list of baseless allegations proffered in previous correspondence, I would respectfully like to make a general statement that you should find useful.

[redacted]

Exhibit 17

Following my employment in The White House, I became a private businessman engaged in the business of assisting U.S. companies in entering new markets, primarily in Asia. I am not formally or informally employed by the U.S. Government and have not represented myself as a government official since the day I left The White House. I do not report to anyone in the U.S. Government or to any person associated with the Clinton-Gore campaign.

All of my activities in the country of Taiwan have been conducted for the interest of my private business exclusively. Toward that end, my association with Dr. Tai-Ying Liu has been in his capacity as the Chairman of China Development Corporation. While we obviously have a mutual interest in government affairs and desire a strong relationship between Taiwan and the United States, our relationship is business oriented.

By far the most serious question raised in your letter to me (which is presumably the central basis for your story) concerns the allegation of foreign financial support for the Clinton-Gore campaign. For the record, I have never asked for or received <u>any</u> money from a foreign individual or government for <u>any</u> political campaign. As a reputable journalist, you can verify this point by checking with the Federal Election Commission. As you know, every political contribution is reported to this body.

I am equally concerned by the tone of several questions which allude to the fact that I would work for any foreign governmental entity. Let me be clear, I do not now nor have I ever worked for any foreign government. While I am legally permitted to work as a foreign agent, I do not! Any claim of such is completely baseless and totally unfounded. I trust that you will treat it as such.

Sir, I am sure that as a respected editor you value your reputation and your personal integrity; I do as well. Given my strong feelings about this, I respectfully request that you verify your story with credible sources before making such serious accusations. Given your professionalism, I'm sure that you will do so.

Again, I apologize for being unable to be with you this past weekend but I look forward to our meeting in person soon.

Sincerely,

Mark E. Middleton

Exhibit 17

MEMORANDUM

TO: Mack McLarty

FROM: Mark Middleton

RE: Monday Meeting

DATE: 9/6/96

Many thanks to you for your expeditious assistance. It is appreciated and remembered.

The meeting participant is currently staying at the Four Seasons Hotel in New York (212-758-5700), he can be reached at that number until Saturday morning. His Washington DC reservation is at the Hay Adams Hotel (202-638-6600) where he is expected to arrive on Saturday evening.

If I can be helpful in facilitating the Monday meeting, I stand ready to be of assistance. Again, I appreciate your help.

CC-H-000157

[redacted]

Exhibit 18

The Hay-Adams Hotel

16th and H Streets, N.W., One Lafayette Square, Washington, D.C. 20006 • Telephone: 202-638-6600 Fax: 202-638-2716 Toll Free: 800-424-5054

RIADY, JAMES MR.
C/O H. WEYMOUTH
1455 PENN. AVE., STE. 560
WASHINGTON, DC
20004

Arrival 9/08/96
Departure 9/09/96
No. in Party 1
Rate 395.00

Acct. No 502032 Room # 504

#	Date	Description	Amount
3	9/08/96	TELEPHONE-L'DIST/504/9082988014/1/4 17:05/8007423333	1.00
4	9/08/96	TELEPHONE-L'DIST/504/9082989001/1/4 17:21/8002332742	1.00
5	9/08/96	TELEPHONE-L'DIST/504/9082990005/1/4 17:32/8007423333	1.00
6	9/08/96	TELEPHONE-L'DIST/504/9083060007/1/4 21:33/6231546054	41.47
7	9/08/96	ROOM CHARGE/504/1/1/4	395.00
8	9/08/96	ROOM TAX/504/1/1/4	51.35
9	9/08/96	ROOM OCCUPANCY TAX/504/1/1/4 OCCUPANCY TAX	1.50
10	9/09/96	TELEPHONE-LOCAL/504/9093169003/1/4 07:46/4795115	1.00
11	9/09/96	TELEPHONE-LOCAL/504/9093179008/1/4 07:56/2323626	1.00
12	9/09/96	TELEPHONE-LOCAL/504/9093181001/1/4 08:04/8951950	1.00

CONTINUE...

Ok'd By: Company Street

City State Zip Code

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

Signature

Exhibit 19

The Hay-Adams Hotel

16th and H Streets, N.W., One Lafayette Square, Washington, D.C. 20006 • Telephone: 202-638-6600 Fax: 202-638-2716 Toll Free: 800-424-5054

RIADY, JAMES MR.
C/O H. WEYMOUTH
1455 PENN. AVE., STE. 560
WASHINGTON, DC
20004

Arrival 9/08/96
Departure 9/09/96
No. in Party 1
Rate 395.00

Acct. No. 502032 Room # 504

#	Date	Description	Amount
42	9/09/96	TELEPHONE-L'DIST/504/9093573001/1/4 13:58/8182445089	6.70
43	9/09/96	FACSIMILE TRANS/504/502032/1/4/2FAXS	30.62
44	9/09/96	AMERICAN EXPRESS/[redacted]	819.54-

C/O CLERK-SB * BALANCE DUE * .00
TIME-15:25 CONFIRMATION # 3599817

Ok'd By Company Street

City State Zip Code

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

Signature

[redacted]

Exhibit 19



16th and H Streets, N.W., One Lafayette Square, Washington, D.C. 20006 • Telephone: 202-638-6600 Fax: 202-638-2716 Toll Free: 800-424-5054

RIADY, JAMES MR.
C/O H. WEYMOUTH
1455 PENN. AVE., STE. 560
WASHINGTON, DC
20004

Arrival 9/08/96
Departure 9/09/96
No. in Party 1
Rate 395.00

Acct. No. 502032 Room # 504

#	Date	Description	Amount
13	9/09/96	TELEPHONE-L'DIST/504/9093189003/1/4 08:10/8007423333	14.00
14	9/09/96	TELEPHONE-LOCAL/504/9093198002/1/4 08:18/4825301	1.00
15	9/09/96	TELEPHONE-L'DIST/504/9093199007/1/4 08:13/6221769023	41.47
17	9/09/96	TELEPHONE-LOCAL/504/9093204002/1/4 08:22/7035164809	1.00
18	9/09/96	TELEPHONE-L'DIST/504/9093221012/1/4 08:20/6221546255	62.96
19	9/09/96	TELEPHONE-LOCAL/504/9093231001/1/4 08:39/7281192	1.00
20	9/09/96	TELEPHONE-L'DIST/504/9093234006/1/4 08:36/6221546178	37.17
21	9/09/96	TELEPHONE-LOCAL/504/9093240004/1/4 08:40/2966726	1.00
22	9/09/96	TELEPHONE-LOCAL/504/9093251001/1/4 08:49/7281192	1.00

CONTINUE...

Name
Company
Street
City State Zip Code

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

Signature

Exhibit 19

The Hay-Adams Hotel

16th and H Streets, N.W., One Lafayette Square, Washington, D.C. 20006 • Telephone: 202-638-6600 Fax: 202-638-2716 Toll Free: 800-424-5054

RIADY, JAMES MR.
C/O H. WEYMOUTH
1455 PENN. AVE., STE. 560
WASHINGTON, DC
20004

Arrival	9/08/96
Departure	9/09/96
No. in Party	1
Rate	395.00

Acct. No 502032 Room # 504

#	Date	Description	Amount
23	9/09/96	TELEPHONE-L'DIST/504/9093256010/1/4 08:42/6221750317	54.36
24	9/09/96	TELEPHONE-L'DIST/504/9093259003/1/4 08:52/6221546178	24.28
25	9/09/96	TELEPHONE-L'DIST/504/9093395003/1/4 11:03/8002258900	1.00
26	9/09/96	TELEPHONE-LOCAL/504/9093483002/1/4 12:50/7379305	1.00
27	9/09/96	TELEPHONE-LOCAL/504/9093492002/1/4 12:57/7379305	1.00
28	9/09/96	TELEPHONE-L'DIST/504/9093503003/1/4 13:06/2132836666	8.17
29	9/09/96	MINI BAR/504/48302/1/4	9.08
30	9/09/96	TELEPHONE-LOCAL/504/9093507005/1/4 13:09/4795115	1.00
31	9/09/96	TELEPHONE-LOCAL/504/9093511006/1/4 13:14/4885079	1.00

CONTINUE...

Guest Company Street
Bill

City State Zip Code

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

Signature

Exhibit 19



16th and H Streets, N.W., One Lafayette Square, Washington, D.C. 20006 • Telephone: 202-638-6600 Fax: 202-638-2716 Toll Free: 800-424-5054

RIADY, JAMES MR.
C/O H. WEYMOUTH
1455 PENN. AVE., STE. 560
WASHINGTON, DC
20004

Arrival 9/08/96
Departure 9/09/96
No. in Party 1
Rate 395.00

Acct. No. 502032
Room # 504

#	Date	Description	Amount
32	9/09/96	TELEPHONE-L'DIST/504/9093518003/1/4 13:19/3104456825	8.17
34	9/09/96	TELEPHONE-LOCAL/504/9093520001/1/4 13:22/8637187	1.00
35	9/09/96	TELEPHONE-LOCAL/504/9093522001/1/4 13:23/2258220	1.00
36	9/09/96	TELEPHONE-L'DIST/504/9093525002/1/4 13:25/2132836666	7.44
37	9/09/96	TELEPHONE-L'DIST/504/9093532007/1/4 13:26/8182894499	11.10
38	9/09/96	TELEPHONE-L'DIST/504/9093542005/1/4 13:35/8007423333	1.00
39	9/09/96	TELEPHONE-L'DIST/504/9093565006/1/4 13:47/8002258900	1.00
40	9/09/96	TELEPHONE-L'DIST/504/9093568001/1/4 13:54/2132836666	6.70
41	9/09/96	TELEPHONE-L'DIST/504/9093570002/1/4 13:56/8002258900	1.00

CONTINUE...

Ok'd By

Company

Street

City State Zip Code

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

Signature

Exhibit 19

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 560
WASHINGTON, DC 20004
TEL: (202) 737-9305
FAX: (202) 737-9319

TELECOPIER TRANSMITTAL

Please deliver the following material as soon as possible.

TO: James Riady

FROM: Mark Middleton

DATE: 9/16/96 FAX #: 011-6221-546-0510
0339

NUMBER OF PAGES TO FOLLOW: 1

MESSAGE:

Please call (202) 737-9300 if there is any problem with this transmittal.

[redacted]

Exhibit 20

CLINTON
GORE 96

President Clinton:
An Unprecedented Record Fighting Crime
An Unprecedented Endorsement From Our Nation's Police Officers
September 16, 1996

Earlier today, the National Fraternal Order of Police (NFOP), the nation's largest police association, endorsed President Clinton. President Clinton will accept this endorsement later today in Cincinnati, Ohio. This marks the first time the NFOP has endorsed a Democratic candidate.

Throughout his Administration, President Clinton has stood up for America's police officers -- even when it meant taking on the powerful gun lobby. Thanks to the President's COPS program, Brady Bill and Assault Weapons Ban, our streets -- and the cops that patrol them -- are safer.

Adding 100,000 Police Officers

100,000 Cops For Our Streets. The Community Oriented Policing (COPS) program, part of the President's Crime Bill, is adding 100,000 police officers to our streets -- 44,000 officers have already been funded.

Fighting To Ensure That Police Officers Are Better Armed Than Criminals

The Brady Bill. President Clinton signed the Brady Bill, which institutes a 5-day waiting period for handgun purchases, during which criminal records checks are performed.

- Gun shop owners have turned away over 60,000 felons, fugitives and other criminals.

Assault Weapons Banned. The President's Crime Bill bans 19 of the deadliest assault weapons.

- Because these banned assault weapons are capable of firing dozens of rounds without reloading, they are the weapon of choice of drug dealers and gang members.
- Accounting for only 1 percent of all privately-owned firearms, assault weapons were used in the deaths of over one-third of all police officers killed by guns in the nine-months prior to the Assault Weapons Ban's passage.

"Cop-killer" Bullets. The President has urged Congress to ban the manufacture of deadly "cop-killer" bullets, which are designed to pierce bullet-proof vests and serve no legitimate sporting purpose.

Working To Ensure That Violent Criminals Serve Their Full Sentences

Three-Strikes-And-You're-Out. The President's Crime Bill institutes "three-strikes-and-you're-out" sentencing that puts career violent offenders behind bars for life.

More Prison Construction. The President's Crime Bill includes $7.9 billion in funding for prison constructions to help states ensure that violent offenders serve their full sentences.

P.O. Box 19100 • Washington, D.C. 20036-9100 • voice: 202 331 1996 • tty: 202 530 2170 • fax: 202 496 4849

Paid for by the Clinton/Gore '96 General Committee, Inc.

CC-H-000523

Exhibit 20

FAX TRANSMISSION

REDACTED

DATE : September 18, 1996
TO : Mr. Mark Middleton
CC :
FROM : REDACTED

I will ask Adolf to send you the necessary information for the people attending the lunch at the White House. Please let me know how many persons you can accomodate for that day.

As for REDACTED, please tell her that REDACTED has his schedule being prepared by Adolf who is his executive assistant. Your role is only to arrange the White House visit and if possible a brief meeting with the President and/or the First Lady which will be based on opportunity only.

Best personal regards,

REDACTED

Two 31 one morning at the WH.

total page: one (1) page including this cover page.

CONFIDENTIAL

CC-H-000515

Exhibit 21

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 460
WASHINGTON, D.C. 20004
TEL: (202) 737-9305
FAX: (202) 737-9319

February 5, 1996

MEMO TO: Molly Varney

FROM: Mark Middleton

RE: TUESDAY, FEBRUARY 6, 1996 MEETING

Following is the admission information for the attendees of the meeting on Tuesday, February 6th at 4:15 PM with Mr. McLarty.

Dr. Carlos T. Mersan	12/29/51
Dr. Mark Jimenez	12/31/46
Mark Middleton	10/12/62

I appreciate the time that has been made available and can assure you that this will take no longer than 15 minutes. Thank you!

Exhibit 22

COMMERCECORP INTERNATIONAL
1435 PENNSYLVANIA AVENUE
SUITE 500
WASHINGTON, D.C. 20004
TEL: (202) 737-9305
FAX: (202) 737-9319

February 6, 1996

MEMO TO: Yusuf Khapra

FROM: Sandy McClure for Mark Middleton

RE: Security Clearances for Tuesday, February 6, 1996

Please clear the following for a White House tour today, February 6 at 3:15:

Dr. Carlos T. Mersan	12/29/51
Mrs. Irene Mersan	7/4/53
Mark Jimenez	12/31/46
Luz Gonzales	10/21/75
Mark Middleton	10/12/62

Thank you.

Also, Mark would like you to meet him at the gate. He needs to spend a few minutes with you.

[redacted]

Exhibit 23

CommerceCorp International
1666 Pennsylvania Avenue
Suite 660
Washington, D.C. 20004
Tel. (202) 737-0000
Fax. (202) 737-0010

August 30, 1996

Acting District Director
United States Customs Service
Miami, Florida

Dear Sir:

This letter is written in support of an application pending before you on behalf of Future Tech International, Inc.

My name is Mark Middleton and I am the Founder and President of CommerceCorp International. In my capacity as an international business consultant and government advisor it has been my pleasure to work with, and I have developed a high regard for, Mark Jimenez, Chief Executive Officer, of Future Tech. Through my many conversations with Mark and various members of his staff it has become evident to me that they have developed a unique vision and an action plan to guide their company's growth in the distribution and assembly of computer parts and peripherals for Latin America. Their business dealings with me have always reflected character, integrity and honesty and I feel sure that this new undertaking will be conducted with the same high standards and professionalism as has been the case in the past.

Please feel free to contact me at any time if you have any questions or need any additional details regarding my association with either mark Jimenez or Future Tech.

Very truly yours,

Mark Middleton

Mark E. Middleton

[redacted]

CC-H-000036

Exhibit 24

CommerceCorp International
1455 Pennsylvania Avenue
Suite 550
Washington, D.C. 20004
Tel: (202) 737-9308
Fax: (202) 737-9319

FACSIMILE TRANSMISSION

TO: Mr. Mark Jimenez

FROM: Holli Weymouth

CC: Myla Villanueva; Mitchell Fuerst

DATE: September 18, 1996

FAX: 305/477-7423

REDACTED

We have also spoken with Bob Squire's office and the DNC, who both recommended Evan Grossman of the Share Group in Boston (617/623-4500). Please note that Grossman is a big Clinton supporter and his group may only work with Democratic candidates. Any inquiries would need to be delicate.

Also recommended by the DNC were the following firms (we are not sure which of these work with both Republican and Democratic candidates):

Reese Brothers in Los Angeles
Integral Resources in Boston
Meyer Associates in St. Cloud, MN

CC-H-000033

Exhibit 25

CommerceCorp International
1455 Pennsylvania Avenue
Suite 360
Washington, D.C. 20004
Tel: (202) 737-8308
Fax: (202) 737-8319

FACSIMILE TRANSMISSION

TO: REDACTED

FROM: Holli Weymouth

DATE: July 22, 1996

FAX: REDACTED

Dear Sheila:

Mark will be accompanied by Siti Hediati Harijadi (Mrs. Siti Hediati HP, SE), President Soharto's youngest daughter. The above is her formal name, however, Mark as a personal friend addresses her by her nickname Titiek (pronounced Tee-Tee). Others, not as close, may refer to her as Ibu Titiek.

Her mailing address in Jakarta is:

Siti Hediati Harijadi H.P.
President Commissioner
Penta Group of Companies
World Trade Center
9th Floor
J.L. Sudirman Kav. 29-31
Jakarta, Indonesia 12920

Please give me a call when you have spoken with the pilot regarding the return flight. Mark and Titiek need to be at the White House for a black tie event with the President by 5:15 so I would need them back in central DC by 4:00 at the latest. Thank you for your help!

Regards.

CONFIDENTIAL

Exhibit 26

Mrs. Siti Hediati and Mark Middleton Updated: July 23

ITINERARY - WASHINGTON

Wednesday, July 24

7.30 a.m. Depart Washington - Dulles Airport
(with Mark Middleton)
Hawthorne Aviation
Tel. (703) 661-0150
REDACTED
Call sign: C-GGPM
REDACTED

9.00 a.m. Arrive Atlanta - Fulton Jet Center
Tel. 1-800-569-8794

9.30 a.m. Depart Atlanta - Fulton Jet Center (with Mrs. Siti Hediati)

REDACTED

(with Mrs. Siti Hediati, Mark Middleton,

CONFIDENTIAL

Exhibit 27 —

CC-H-000931

REDACTED

4.00 p.m. Arrive Washington - National Airport
Signature Aviation
Tel. (703) 419-8440

REDACTED

REDACTED

TO:	Mark Middleton	FAX #:	(202) 737-9319
COMPANY:		DATE:	July 23, 1996
FROM:	REDACTED	TELEPHONE #:	
		FAX #:	REDACTED
		TOTAL PAGE(S): (including cover page)	3

MESSAGE:

Here is the latest itinerary. We did try to get a "slot" into National Airport for tomorrow morning, but nothing was available, so we have had to leave it at Dulles.

Best regards,

[redacted]

Exhibit 27

If you do not receive all pages or have receiving problems, please call: REDACTED

CONFIDENTIAL

FACSIMILE TRANSMISSION

TO: Mark Middleton

FROM: Holli Weymouth

DATE: June 12, 1996

REDACTED

- I spoke with John McAlister this morning. He was very appreciative of our help. Linda has confirmed lunch at the mess on 6/20 @1:15 pm for 5. Doris Matsui will do meeting but needs to check on time. Mr. McAlister wanted to let you know that he was having lunch w/Lee Williams today to discuss a bunch of items. 4:06 pm Mr. McAlister called again. Lee Williams wants to speak with you today to make sure that everyone is coordinated. Mr. McAlister has not fully briefed Mr. Zhou on becoming a contributor to the Fulbright fellowship - Lee Williams suggested also considering contributions to the Fulbright College. Would like to have Senator Pryor invited to the lunch at the WH. Lee Williams can arrange this if you like. Please call Lee at his home (703)765-2540 and Mr. McAlister (202/393-2000). Also, re the lunch - I interpreted Mr. McAlister's reference to a luncheon on 6/20 at the WH as something a bit more formal than lunch at the mess ????

- Ernie phoned w/a favor. There will be a meeting at the WH w/the US Ambassadors to ASEAN on June 26. Doris Matsui is coordinating. Mack McLarty has been invited. It would be very helpful to US-ASEAN if you could help ensure that Mac attends.

- REDACTED

CC-H-000086

Exhibit 28

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 560
WASHINGTON, D.C. 20004
TEL (202) 737-0308
FAX (202) 737-0319

FACSIMILE TRANSMISSION

TO: Mr. John McAlister **[Please hold for guest arrival]**

FROM: Holli Weymouth
Director

DATE: June 11, 1996

FAX: 626-6991

Welcome to Washington! I hope that your trip was enjoyable and that you will be able to get some rest before beginning what I'm sure will be a busy yet enjoyable two weeks.

Thank you for your faxes to our office and the information on Mr. Zhou's travel schedule. We have tentatively scheduled the following meetings for Mr. Zhou and would appreciate confirmation as to the convenience of the times and dates:

Tuesday, June 18 @ 3:00 pm
Meeting with Senator Bennett Johnson
and his son, Hunter Johnson
136 Hart Senate Office Bldg

Wednesday, June 19 @ 10:00 am
Meeting with Jude Kearney, Department of Commerce
Location to be determined

We are still working on additional meetings with Doris Matsui and Sandy Kristoff as well as the luncheon for June 20.

Please feel free to give me a call tomorrow at your convenience to discuss how we may further assist you during your stay.

Best regards.

CC-H-000087

[redacted]
Exhibit 29

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 560
WASHINGTON, D.C. 20004
TEL. (202) 737-8008
FAX. (202) 737-8019

FACSIMILE TRANSMISSION

TO: Mr. John McAlister [Hotel Guest]

FROM: Holli Weymouth

DATE: June 17, 1996

FAX: 626-6991

Following is a review of those meetings in Mr. Zhou's schedule arranged by CommerceCorp:

June 18, 1996	3:00 pm	Senator Bennett Johnston 136 Hart Senate [redacted] (Becky)
June 19, 1996	10:00 am	Jude Kearney Department of Commerce Room 1128 [redacted]
June 20, 1996	1:15 pm	Lunch at the White House
June 20, 1996	2:30 pm	Doris Matsui Deputy Asst. to the Pres for PR [redacted]

Mark requested the private dining room for the lunch on the 20th, unfortunately it is already reserved for use. We will arrange for a table for eight in the hopes that Senator Pryor and Mr. Williams will be able to attend.

Please fax to me the names and birth dates of those individuals who will be attending the lunch at the White House on the 20th, and the names of those who will attend the meeting with Mr. Kearney and with Senator Johnston.

CC-H-000084

[redacted]

Exhibit 30

Also, if possible, please forward to me a copy of Mr. Zhou's biography for use by Senator Johnston, Doris Matsui, and Jude Kearney.

Best regards.

Exhibit 30

COMMERCECORP INTERNATIONAL
1455 PENNSYLVANIA AVENUE
SUITE 900
WASHINGTON, DC 20004
TEL: 202 [illegible]
FAX: 202 [illegible]

FACSIMILE TRANSMISSION

TO:	Becky Putens Office of Senator Bennett Johnston
FROM:	Holli Weymouth
CC:	Hunter Johnston
DATE:	June 17, 1996
FAX:	224-9735
RE:	**Bio for meeting on Tuesday, June 17**

Attached is a letter from John McAlister to Mickey Kantor which provides a very good overview of Mr. J.H. Zhou, his proximity to the Chinese leadership and the reason for his US visit. Please let me know if you require any additional information.

Best regards.

CC-H-000080

Exhibit 31

FAXED

北京国际金融中心有限公司

BEIJING INTERNATIONAL FINANCIAL CENTER CO. LTD.

Building #15, Diaoyutai State Guest House, Haidian District, Beijing 100830, CHINA
Tel: (86) - 10 - 6859 0909
Fax: (86) - 10 - 6857 8586

John T. McAlister
Deputy General Manager

8 June 1996

Hon. Mickey Kantor
Secretary
U. S. Department of Commerce
Washington, D. C.

Via Fax: 00-1-202-482-2741

Dear Mickey,

Mr. J. H. Zhou, the President of our parent holding company whom I introduced to you on your March 1995 visit here, will be in Washington June 17-21 and has been encouraged by Fritz Hollings to seek a meeting with you at your convenience. Fritz will be contacting you about this request.

Fritz and Peatsy met Mr. Zhou during their trip here in early April. Mr. Zhou has been encouraged by discussions with them to try to take a more active role in helping to advance U. S. - China relations, especially trade and commercial relations.

Mr. Zhou is now accompanying Mme. Wu Yi on her tour of Latin America, following which he will come to Washington. As I have mentioned to you before, Mr. Zhou has had a long standing and close relationship with Mme. Wu Yi since her days as Deputy Mayor of Beijing. Recently, Mr. Zhou and I had a dinner meeting here with Mme. Wu Yi as she prepared for her trade mission.

Mr. Zhou is the President and principal of Junefield (Holdings) Ltd., a Hong Kong registered holding company. Virtually all of the major subsidiaries are P. R. C. registered and based private enterprise companies with two exceptions: trade and services companies in Hong Kong and trading and service companies in Peru.

Junefield originated as a textile trading company emphasizing cashmere and angora wool. That subsidiary continues to be a major contributor to what is now a more diversified company with a growing emphasis on real estate development and urban renewal.

CC-H-000081

Exhibit 31

Two Junefield subsidiaries, one of which I manage, are now engaged in the largest urban renewal project in Central Beijing on two adjacent parcels. The project area, located about 1 mile west of Tiananmen Square, is in total about 110 acres with conditional approval for about 26 million sq. ft. of mixed-use development. About 4 million sq. ft. of this is now under construction and comprises the largest private enterprise urban destination development in Central Beijing. Known as Junefield Plaza, this project will include China's largest department store which will be Beijing's first international department store as well as a five star 600 room hotel.

As a leader of China's new young generation of private entrepreneurs Mr. Zhou has a strong business interest in advancing U. S. - China trade and commercial relations. He has never before visited Washington. He has decided to come to Washington to learn more about how he can be helpful and to establish enduring personal relationships.

In late April, Mr. Zhou had the opportunity to meet and get to know Mark Middleton, formerly of the White House staff and now an international businessman. Mark has graciously offered to arrange a lunch meeting for Mr. Zhou in the West Wing of the White House and has made other suggestions of people for Mr. Zhou to get to know. Suggestions of your own would be greatly appreciated.

This past week we had a series of very constructive meetings with Dr. Michael Copps, Deputy Assistant Secretary for Basic Industries, who is an old and good friend of mine from Fritz Hollings' staff. Mike took the time to visit our urban renewal project area and to inspect the construction of Junefield Plaza.

When the President announced your appointment, he suggested that the opportunity had arrived for you to be "the good cop". Mr. Zhou, I and our colleagues want to do all we can to help in that task in Beijing. Mr. Zhou wishes to meet with you to:

(1) present some of his ideas about advancing U. S.-China trade and commercial relations;
(2) obtain your ideas and suggestions for action that he can pursue; and
(3) establish the basis for a continuing cooperative effort.

I will arrive in Washington on the afternoon of 11 June and will be at the Washington Marriott (Phone: 393-2000 / Fax: 626-6991). Once again, I will have an opportunity to be an advance man, this time for Mr. Zhou's 17-21 June visit. Your consideration of our request will be appreciated. I will contact your office after my arrival.

Sincerely,

John T. McAlister
JTM/ac

cc: Senator and Mrs. Ernest F. Hollings
Mark Middleton, Esq.

[The deposition of David Mercer—Volume 1 follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: DAVID MERCER—VOLUME 1

THURSDAY, AUGUST 21, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 10:10 a.m..

Appearances:

Staff Present for the Government Reform and Oversight Committee: James C. Wilson, Senior Investigative Counsel; David A. Kass, Investigative Counsel; Michael J. Yeager, Minority Counsel; and Phil Schiliro, Minority Chief of Staff.

For MR. MERCER:

LAURI E. CLEARY, ESQ.
STANLEY REED, ESQ.,
Law Offices of Lerch Early & Brewer Chartered
Suite 380, 3 Bethesda Metro Center,
Bethesda, Maryland 20814-5367

Mr. WILSON. Good morning, Mr. Mercer.

Mr. MERCER. Good morning.

Mr. WILSON. On behalf of the members of the Committee on Government Reform and oversight, I appreciate and thank you for appearing here today. This proceeding is known as a deposition. The person transcribing this proceeding is a House reporter and notary republic. I will now request that the reporter place you under oath.

THEREUPON, DAVID MERCER, a witness, was called for examination by Counsel, and after having been first duly sworn, was examined and testified as follows:

Mr. WILSON. I would like to note for the record those who are present at the beginning of this deposition are myself, James Wilson, the designated Majority counsel for the committee; and I am accompanied today by David Kass, who is also with the Majority staff; Michael Yeager is the designated Minority counsel for the committee; Mr. Mercer is accompanied by Mr. Stanley Reed and Miss Lauri Cleary.

Although this proceeding is being held in a somewhat informal atmosphere, because you have been placed under oath your testimony here today has the same force and effect as if you were testifying before the committee or in a courtroom. If I ask you about a conversation or conversations you have had in the past and you are unable to recall the exact words used in that conversation, you may state that you are unable to recall those exact words, and then you may give the gist or substance of any conversation to the best of your recollection.

If you recall only part of a conversation or only part of an event, please give me your best recollection of those events or parts of conversations or events that you do recall.

If I ask you whether you have any information on a particular subject and you have overheard other persons conversing with each other regarding it or have seen correspondence or documentation regarding it, please tell me that you do have such information and indicate the source, either a conversation or documentation or otherwise, from which you derived such knowledge.

Before we begin questioning, I want to give you some background about the investigation and your appearance here.

Pursuant to its authority under House Rules X and XI of the House of Representatives, the committee is engaged in a wide-ranging review of possible political fundraising improprieties and possible violations of law.

Pages 2 through 4 of House Report 105-139 summarizes the investigation as of June 19, 1997, and encompasses any new matters which arise directly or indirectly in the course of the investigation. Also pages 4 through 11 of the report explain the background of the investigation. All questions related either directly or indirectly to those issues or questions which have the tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence, are proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167 which passed the full House on June 20, 1997. Committee Rule 20 outlines the ground rules for this deposition.

Majority and Minority counsel will ask you questions regarding the subject matter of the investigation. Minority counsel will ask questions after Majority counsel has finished. After the Minority counsel has completed questioning, a new round of questioning may begin. Members of Congress who wish to ask questions will be afforded an immediate opportunity to ask their questions. When they are finished, the committee counsel who had been previously asking questions will resume the questioning.

Pursuant to the committee's rules, you are allowed to have an attorney present to advise you of your rights. Any objection raised during the course of the deposition shall be stated for the record. If the witness is instructed not to answer a question or otherwise refuses to answer a question, Majority and Minority counsel will confer to determine whether the objection is proper. If Majority and Minority counsel agree that the question is proper, the witness will be asked to answer the question. If an objection is not withdrawn, the Chairman or a Member designated by the Chairman may decide whether the objection is proper.

This deposition is considered as taken in executive session of the committee, which means it may not be made public without the consent of the committee pursuant to clause 2(k)(7) of House Rule XI. You are asked to abide by the Rules of the House and not discuss with anyone other than your attorney this deposition and the issues and questions raised during this proceeding.

Finally, no later than 5 days after your testimony is transcribed and you have been notified that your transcript is available, you may submit suggested changes to the chairman. The transcript will be available for your review at the committee office. Committee staff may make any typographical or technical changes requested by you. Substantive changes, modifications, clarifications or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement of your reasons for its proposed change.

A letter requesting any substantive changes, modifications, clarifications or amendments must be signed by you. Any substantive changes, modifications, clarifications or amendments shall be included as an appendix to the transcript, conditioned upon your signing of the transcript.

Do you understand everything we have gone over so far?

The WITNESS. I do.

Mr. WILSON. Do you have any questions about anything I have discussed so far?

The WITNESS. No, I don't.

Mr. WILSON. I do have some very preliminary instructions and questions to ask of the witness. Do you have any additional comments?

Mr. YEAGER. Not at this time.

Mr. REED. I have a statement to make for the record. Not terribly formal, but I want it to be clear that when we were contacted to make arrangements for Mr. Mercer's deposition, we suggested to Mr. Kass that every effort be made to obtain copies of Mr. Mercer's deposition before the Senate committee, inasmuch as he has been deposed for 2-1/2 days before the Senate.

I believe the feeling was, and remains, that that would be the most fair and expeditious way to proceed and it would also avoid the unnecessary duplication of resources and repetitiveness of reviewing subjects that have already been reviewed ad nauseam.

Our understanding, based on discussions yesterday with Majority staff counsel and the Senate, is that no request was ever made by this committee or counsel for this committee to obtain those depositions. Now, whether such a request would have been granted or not, we can only speculate. But as it stands here today, we are about to embark on another deposition process to review, my guess, much of the same territory that's already been reviewed in the Senate, and that it would have been strongly preferable to have focused this deposition here today in those areas that either have not been covered or needed to be supplemented or if there was follow-up necessary as a result of the testimony before the Senate.

Be that as it may, we are here, Mr. Mercer is here to cooperate and move forward, but I do want to make it clear that we do not feel that this process is entirely fair to Mr. Mercer.

I also want to state, in response to your initial presentation, that Mr. Mercer will answer the questions that are asked and the provisos and conditions and suggestions that you made regarding, in particular, his knowledge of events that may have come through rumor, innuendo, hearsay, third parties, and your desire to have him volunteer that information, if it is not directly responsive to the question, he is not

going to try to guess what you are really looking for. So you need to be very specific in the questions that you ask and he will answer them.

But I am not going to ask him to try to divine what level of third or fourth or fifth party knowledge he may have about an event if you ask him for his personal knowledge. That's all I have to say.

Mr. WILSON. Thank you, very much, Mr. Reed.

Mr. REED. You are welcome.

Mr. WILSON. I would, for the record, like to note that I have personally made requests of the Senate staff for depositions and would have been more than happy to have received any assistance and to do anything that could have been done to alleviate duplication on Mr. Mercer's part.

Mr. REED. I take it they were not successful.

Mr. WILSON. I would state for the record that they were not successful, unfortunately.

Mr. REED. I appreciate your saying that and I appreciate your having made the effort. I didn't mean to be critical of you. It is a process that is very draining, time-consuming——

Ms. CLEARY. And expensive.

Mr. REED.—and expensive for everyone concerned. And the fact that the Senate is not fully cooperating with you does not terribly surprise us, inasmuch as we do not have copies of Mr. Mercer's deposition either. So I appreciate that at least you all made the effort.

EXAMINATION BY MR. WILSON:

Question. Mr. Mercer, I will be asking you questions concerning the subject matter of the investigation. Do you understand?

Answer. Yes, I do.

Question. If you do not understand a question, please say so and I will repeat it or rephrase it so that you do understand the question. Do you understand that you should tell me if I am unclear on any question I put to you?

Answer. Yes, I do.

Question. The reporter will be taking down everything we say and will make a written record of the deposition. I would ask that you give verbal, audible answers because the reporter cannot record nonverbal gestures or nods of the head or indications such as, uh-huh, or similar type responses.

Do you understand that you should give audible direct answers?

Answer. Yes, I do.

Question. If you cannot hear me, please say so and I will repeat the question or have the court reporter repeat the question for you. Do you understand?

Answer. Yes.

Question. Please wait until I finish a question before you respond, and I will wait for your answer before I ask the next question. Do you understand this will help the reporter make a clear record, because she cannot take down what we are both saying at the same time?

Answer. Yes, I do.

Question. Your testimony is being taken under oath as if we were in court, and if you answer a question, it will be assumed that you did understand the question and that your answer was intended to be responsive to it. Do you understand that?

Answer. I do.

Question. Are you here voluntarily or are you here as the result of a subpoena?

Answer. I'm here voluntarily.

Question. Do you have any questions about this deposition before we begin the substantive portion of the proceeding?

Answer. I do not.

Question. Please state your full name and spell it for the record?

Answer. David L. Mercer. D-A-V-I-D, L period, M-E-R-C-E-R.

Question. Have you used any other names in the past?

Answer. No, I have not.

Question. What is your date of birth, please?

Answer. 3/29/61.

Question. What is your current address?

Answer. [Redacted].

Question. How long have you lived at that address?

Answer. Approximately 4 years.

Question. Have you ever lived outside of the United States?

Answer. Yes, I have.

Question. If for a period of more than six months, where and when?

Answer. In Jamaica, West Indies, for a period of a year and a half in the early seventies.

Question. Did you attend college?

Answer. Yes, I did.

Question. Where and what year did you graduate?

Answer. I attended Duke University and Principia College, graduated in '91.

Question. Have you received any other degrees?

Answer. No, I have not.

Question. Please briefly state your employment history after college.

Answer. After college I worked——

Mr. REED. After he graduated from college?

Mr. WILSON. Correct.

The WITNESS. In 1991, I went to the Christian Science Monitor Channel, then to the Clinton-Gore campaign, and then to the transition, and then to the DNC Finance Division.

EXAMINATION BY MR. WILSON:

Question. Have you spoken with anyone other than your counsel about this deposition?

Answer. Only that I was due to be here for a deposition and that was either to family or to colleagues at work.

Question. With whom have you discussed this at work?

Answer. My supervisors and people that I work with that needed to know that I was out of the office for the day and that I would be attending a House deposition.

Question. Have you spoken with any Member or staff of this committee about this deposition?

Answer. Come again?

Question. Have you spoken with any member of the committee, Representative, or a staff member of this committee about this deposition?

Answer. No, I have not.

Question. Did you review any documents in preparation for this deposition?

Answer. Yes, I did.

Question. Where did you review these documents?

Answer. At the Senate committee offices.

Question. Was this during a deposition taken by the Senate?

Answer. No, it wasn't.

Question. Was this before you were deposed by the Senate?

Answer. No, it was not.

Question. Was this after you were deposed by the Senate?

Answer. Yes, it was.

Question. In whose offices did you review documents?

Answer. I believe it was the Government Affairs Oversight Committee Offices. It was in Room 100 of one of the Senate office buildings.

Question. Were these the offices of the Senate Majority staff?

Answer. It was.

Question. Did you review documents in the offices of the Senate Minority staff?

Answer. I did not.

Question. Do you keep any work-related files or documents in your personal residence?

Answer. I keep some copies of lists or whatever that I might be working on or I carry home or that I need to refer to over the weekends, yes.

Question. Have you made all documents that you have kept in your residence available for document production by the DNC?

Answer. Yes, I have.

Question. How did you come to work at the DNC?

Answer. To the best of my recollection, I was informed by Minyon Moore and Scott Pastrick of the need in the Finance Division to hire somebody, and from there I interviewed with the Finance Director and was hired.

Question. When did you first speak with Mr. Pastrick or Ms. Moore?

Answer. It would have been in the spring or summer of 1993.

Question. Were they the first individuals that approached you about a possible position at the DNC?

Answer. I believe that's correct.

Question. Did you receive any recommendations for this position, written recommendations?

Answer. Not that I recall or that I'm aware of.

Question. Did you interview for the position that you were first hired for?

Answer. Yes, I did.

Question. Did you interview with anybody other than the finance director?

Answer. Not that I can recall.

Question. What were your initial job responsibilities at the DNC?

Answer. Raise money.

Question. Have you had the same job responsibility since being hired initially at the DNC?

Answer. They have expanded.

Question. And how have your job responsibilities changed over the course of time?

Answer. Where I would initially be as a regional finance director, I became the deputy finance director, I believe in 1995, and rather than just being focused on one event, I now would assume responsibility for maybe several events in sort of an administrative facilitator on the logistics, and creating the environment for us to raise the money. And also interacting more on an interdepartmental capacity in keeping the lines of communication open between departments and, to some extent, the external communications.

Question. You mentioned at the beginning you had regional responsibilities. Were you responsible for a particular region within the United States for fund-raising?

Answer. Like fund-raising, which is sometimes more an art than a science, the titles were more art than they were science, and the regional was more a title that specified that you would go into a particular region. But I have been in every market around the country, Midwest, the West, South, and Northeast. I wasn't designated to one particular region, and it was a rotation of various staff holding that title and where we thought our strengths and weaknesses were in delegating or deploying certain people to certain States.

Question. When you were initially employed by the DNC, were individuals in charge of certain areas of the country for fund-raising?

Answer. There might have been some who had longer ties and longer work experience in that State, and, yes, that would then become the reason that they were particularly rooted in, but that was more unique than it was customary.

Question. I do understand your responsibilities have changed and you have been there for a few years, but if you could please tell me to whom you have reported from the time that you arrived at the DNC until the present time.

Answer. From '93 to the beginning of '94 would be Nancy Jacobson who was then currently the finance director. Then Laura Hartigan from '94 to '95, and then Richard Sullivan between '95 and the winter of '97 or February of '97. February-March.

Question. At any time have you had employees that have reported directly to you?

Answer. I would characterize it as they might visit with me prior to visiting with any of my supervisors. That they might bring an issue to me, but I was not the direct and first person they might see. It was probably upon availability of the finance directors, and I would normally back them up, or attend to issues that they necessarily did not have to deal with.

Question. If you could, I don't want to belabor this and ask a lot of specific questions, but if you could just give me a brief overview of how the Finance Department was set up.

Answer. There are two elements. One is on a regional basis, and that was probably your staff line of fund-raisers that led the events. And then there was a program of our donor programs that included the Saxophone Club, the National Finance Council, the Business Council, and the trustee, or as we know it now, major supporters.

I guess you could characterize it as the fund-raisers would do the events based on the levels of contributions. Those guests or individuals would become members of the program and that is how we sustained our donor base with certain programs, and initially that was how it was structured.

So you had regional finance directors, you had directors, deputy directors, then staff assistants for the programs and then you had deputy finance directors and the finance director.

Question. Apart from the people who were in charge of the various components, did the staff assistants and the lower level finance employees report to many different people within the overall Finance Department, or was it fairly well-compartmentalized?

Answer. I would lean on the side of it being, and I don't know if it was compartmentalized, but I believe the staff assistants communicated with either the deputy director or the director of that particular council.

Question. Throughout your employment at the DNC, did you type your own letters and memoranda?

Answer. I like to think of myself as being self-sufficient and versed on the computer, so that if I didn't have assistance, which from time to time was the case, I

was able to type my own letters or look up different names on lists or move around the system, yes.

Question. Did you have secretarial assistance throughout?

Answer. I would have an assistant backup. I don't know if I want to call it secretarial, in that they did everything at my beck and call, but from time to time, and depending on the projects that I was working on, I would have assistance.

Question. What are the names of the people who assisted you?

Answer. Sarah Surals was my latest, or my last assistant, and that was probably from, I don't know, February of '96 to probably September of '97. Excuse me, September of '96. And that was primarily in my position of directing the convention activities. So both preparing and cleaning up from the convention.

And before that Mike Standifer was an assistant of mine that from time to time was also shared with Erica Payne.

Question. And before Mr. Standifer, did you have any assistant that would help you?

Answer. There might be people who helped me as I was working on an event, but I don't know that I would call them designated assistants.

Question. Was or is Ms. Surals a full-time DNC employee?

Answer. Yes, she was.

Question. And was Mr. Standifer a full-time?

Answer. Yes.

Question. And I meant to say paid DNC employee?

Answer. Yes.

Question. Did you have somebody who would answer telephones for you?

Answer. Not necessarily, but they would, from time to time, pick up my messages and/or if my phone might on occasion be forwarded to them to pick up calls.

Question. Did someone prepare a log of incoming telephone calls for you?

Answer. Intermittently, yes.

Question. And how did that work? Why was it intermittent?

Answer. Because of staff resources. And I wasn't in a position or of the state of mind of making somebody answer my phone. There were a lot of other things that they could be doing, and I tried to get to my messages. It was only out of necessity, especially at the convention, where I could have a hundred and some odd messages on my phone that I could just not get through.

Question. Did you use the e-mail on the computer system at the DNC?

Answer. Yes, I did.

Question. Have you had, throughout your tenure at the DNC, official contact with White House employees?

Answer. Yes, I have.

Question. And, again, bearing in mind that your responsibilities have changed somewhat over time, who have you worked with at the White House since becoming a DNC employee?

Answer. Who have I—I don't know that it can be characterized as I worked with any group or individuals at the White House on an ongoing day-to-day basis. If I was asked to send them something or they needed something, I might provide it based on what the finance director wanted or what their request was.

I would more provide information if on a site, or in going into the logistics of the site explain to whoever was designated on the White House events team or in the political division as to what the nature of the event was, and that would be the extent of my contact.

It was not necessarily on a day-to-day official capacity. But I will add that, having been on the campaign and having relationships, that there are friends over the years, and some less than that, that you maintain general contact with.

Question. Would it be fair, then, to say that you work with people on an ad hoc basis at the White House depending upon the particular issues you were dealing with?

Answer. That would be fair to say.

Question. Was there a usual liaison between your office and a particular person at the White House?

Answer. As I understand it, and don't know the degree and depth of it, is that the finance director usually is in touch with the political division of the White House, and that is the line of communication between at least the DNC Finance Division and the White House for all intents and purposes.

Question. If you were working on a fund-raising issue that didn't have a specific, you didn't have somebody that you knew you should specifically speak with, who would you generally call?

Mr. YEAGER. Who are you talking about? Talking about people at the White House he might call?

Mr. WILSON. Correct, yes.
Mr. REED. Who would he usually call, is the question?
Mr. WILSON. Yes.
Mr. REED. I object to the form, but go ahead.
The WITNESS. Can you repeat the question?
Mr. WILSON. Sure.

EXAMINATION BY MR. WILSON:

Question. If you had a matter of just a general fund-raising issue and it didn't necessarily apply to a particular person, was there somebody that you would just generally call to get information, or?

Answer. I can give you, because we're not talking specifics, I can give you an example. If I got a call out of the Midwest, I might call the Midwest regional political director to either inform them, ask them a question, or whatever. But more than likely I would probably bring it to somebody in my division or the finance director to see if anybody else has heard, addressed it or seen something similar to it.

Question. Did you ever attend meetings at the White House?

Answer. Yes, I did.

Question. And with what frequency?

Answer. Infrequently or on an ad hoc basis.

Question. What types of meetings would you attend?

Answer. I think from my Senate testimony, to the best of my recollection, I attended what we called, or what were called list meetings. And that was a forum that had several different parties involved both within the White House and outside the White House where parameters and guidelines were shared as to how lists were to be prepared for submission for particular events, Easter Egg Roll, Christmas parties, Rose Garden events, what have you.

And I was, on occasion, at the list meeting to find out the dates or to learn of these parameters to then bring back to our division to let them know of the aforementioned issues and so that the department, as a whole, would operate under those guidelines.

Question. Who attended the list meetings that you were just speaking of?

Answer. I don't recall exactly. I know from time to time maybe the DLC would have been there, maybe possibly the Re-elect—a representative from the Re-elect, the DNC, the Social Office, and there may have been others that I'm not aware of.

Question. You mentioned the DLC. What is the DLC?

Answer. The Democratic Leadership Council.

Question. And who specifically, if you could provide some individual names, would attend these meetings?

Answer. As far as I can remember, Brian Bailey conducted the meeting, or somebody in his absence who, I don't know who that would be, I don't recall, but Brian Bailey I remember being sort of the convener of the meetings, if you will.

Question. Were you the only DNC employee that would attend the list meetings?

Answer. No, I wasn't.

Question. Who else would attend?

Answer. I believe from time to time it would be Eric Sildon or Ari Swiller, and that's what I can recall. There may have been others that—I may have been on travel and somebody else went, but I'm not aware.

Question. And from some of the other organizations that you mentioned, who attended on behalf of the other organizations that you mentioned earlier?

Answer. That, I don't recall.

Question. Did you at any time have a pass to gain access to the White House?

Answer. Other than calling in or having been invited, calling in and giving my Social Security and date of birth and being, as they call it, waved in, no, I did not.

Question. Did you have any responsibilities associated with the trustee program at the DNC?

Answer. I was not directly responsible for the trustee program.

Question. Could you just give a general description of what the trustee program was?

Answer. It was a donor program for those donors that contributed $50,000 and above. And a term we used to use, managing the trustee, was a group that either wrote $100,000 or raised $250,000 or in that neighborhood.

Question. Who at the DNC worked on the trustee program?

Answer. During my 4-year tenure, it was at one point Laura Hartigan and then it was Ari Swiller.

Question. Who worked with Ms. Hartigan and Mr. Swiller?

Answer. Jennifer Scully worked with Laura Hartigan as a deputy. She also did the same with Ari Swiller. Then she left to go to New York, and then Anne Braziel came as a deputy, and Nancy Burk was the staff assistant.

Question. Did you have any specific responsibilities for types of initiatives?

Answer. I'm not sure. If you could be more specific, because everything was an initiative, and I'm not sure what initiative.

Question. Certainly. That was not a particularly clear question.

In addition to whatever types of assignments you were given, did you have any overview or oversight responsibilities for particular initiatives that were being taken in the fund-raising area?

Answer. If I understand, and I will give this as an example, I was also the finance convention director, so for eight months to maybe even a year I worked on laying down the foundation for the infrastructure and the operation that we would have in hosting 5,000 supporters and friends of supporters at the convention, which entailed everything from hotel reservations, to credentialing and distribution and activities and events throughout the days leading into the hall activities.

Question. Did you work with any specific groups from whom donations would be solicited? For example, ethnic groups or regional groups.

Answer. Being African-American, and on some occasions the only African-American in the Finance Division, I would work with the African-American community in creating and doing events, yes.

Question. Was this, for want of a better word, sort of a recognized informal arrangement where you were working with a particular ethnic group?

Answer. That would be a good characterization, yeah.

Question. Did you work with any other groups at all; again, either ethnic groups or regional groups?

Mr. YEAGER. Excuse me, I'm a little confused about what you mean by ethnic groups.

Mr. WILSON. Ethnic populations or—I'm not trying to be mysterious, but I think the answer of African-Americans is responsive. For example, Native Americans or Asian-Americans or Greek-Americans.

The WITNESS. I don't think I had direct line responsibility, but I worked with white Americans, I worked with Greeks, I worked with Asian-Americans, from time to time I have met American Indians.

I mean, our donor base is very expansive, so I have worked with every ethnic group, Jewish, Catholic, however you want to put it, but I didn't have a direct line responsibility to one or the other.

And your characterization of my relationship and responsibility with the African-American community, I think, was accurate, in that I don't think people said you are the African-American donor person, but being that you have relationships in that community, it just seems to be the best match for working with that group.

EXAMINATION BY MR. WILSON:

Question. I am just trying to understand sort of the overview, because I do know that there were individuals tasked with looking out for the interests of certain groups and raising money amongst certain groups.

Would it be fair to say that you were more of a generalist? You did mention you worked with African-American groups, but you were more of a generalist and filled in wherever you were asked to fill in?

Answer. That's correct.

Question. When a DNC donor would make a request of you——

Mr. YEAGER. Objection, your question assumes that DNC donors would make requests.

EXAMINATION BY MR. WILSON:

Question. Did you ever receive a request to do anything on behalf of a DNC donor?

Answer. Yes, I have.

Question. Just very generally speaking, when somebody made a request of you, was there a system or a method that you used to respond to the request?

Answer. It would depend on the nature of the request.

Question. And I perfectly well understand requests can cover the whole gamut from, can you get me a White House tour to can I ride on Air Force One, so it is a vague question, but was there a system to respond? Did you write a request down in a certain type of book and pass it on to a certain type of person?

Answer. I think from the types of requests you just mentioned, the White House tour, there was a form that was filled out. You filled it out and you passed it on to the person handling White House tours.

Question. Was there a similar practice for all requests that would be made of you?

Answer. It depends on where—I don't think there was a systematic arrangement for every question that could come up. I guess that's my response because I don't know where——

Question. Bear in mind if the answer is no, I will accept the answer of no. And I understand that some of the broad questions there just may not be an answer at all.

Mr. REED. There wasn't a book of forms to handle every request?

The WITNESS. Right, to handle every request.

EXAMINATION BY MR. WILSON:

Question. Was there ever a system to screen or look into the background of people making requests to determine whether you should or should not be helping them?

Answer. That assumes that you're dealing with somebody who wasn't a donor and may be trying to be a donor. For the donors we had that were on our trustee list or on our business council list, we assumed that they were bona fide contributors and citizens in good standing and supporters of ours, so we would entertain and review their request and handle it in the best way we thought appropriate and responsive to handle.

Question. Breaking this into two questions, for that category of individual, somebody who had previously made contributions to the party and who, as you just said, you assumed was a bona fide contributor, did you personally ever raise any questions as to whether you should be assisting that individual?

I will clarify that, because there are certainly impossible requests, where somebody might have asked for you to do something or arrange something and you could not do it. But what I'm looking for here is somebody who made a request and you thought, I'm not sure whether we should be doing this because of who the person is or where the person is coming from.

Mr. YEAGER. I'm not sure what you mean by raised questions.

Ms. CLEARY. Can you ask about the requests he's gotten?

Mr. REED. I object, because the question is so broad, and I'm not sure he can answer responsively. If David feels he can answer it, then he can go ahead and answer it. I'm concerned the question is so broad.

Mr. WILSON. I am trying to target it to get at specific cases where Mr. Mercer might have said, aside from whether he could or could not satisfy the request——

EXAMINATION BY MR. WILSON:

Question. I don't want to labor over whether somebody asked something that was impossible to do, but whether you ever received a request and you communicated with somebody else at the DNC your concerns as to whether you should be even working with that person or assisting that person.

Answer. Not that I can recall.

Question. Do you recall whether anybody else brought such a concern to your attention; they were working with somebody and worried that maybe the DNC should not be helping that individual?

Answer. What comes to mind in trying to be responsive is you hear whether donors talking about other donors and whatever, and I don't have any specific recollection, but I'm sure within certain groups or whatever there may have been conversation of, you know, watch out for this one or watch out for that.

But I don't recall specifics and anybody, one donor coming to mind as beware and off limits. There may be people that I just didn't, for circumstances or whatever, after working with them didn't work with them anymore because they were aggressive or badgering or whatever.

The specifics of donors don't come up because we deal with thousands of them, so I can't give you my B list of donors that I just—.

Question. I was speaking then very specifically about people who were pre-existing donors. Did a situation ever come up involving somebody who was attempting to give money to the DNC and you had a concern about whether the money should be accepted?

Mr. REED. I'm going to object, but let me make sure I understand the question. Did he personally object?

Mr. WILSON. That's my question, yes.

The WITNESS. Not that I recall bringing up an objectionable or questionable person. I don't recall doing that.

EXAMINATION BY MR. WILSON:

Question. Did you ever, after somebody had indicated that they might be making a contribution and they had not made a previous contribution, did you ever raise concerns about accepting that contribution with anybody else?

Answer. Can you give me a clarification of when you say raise concerns? I don't understand what you mean by raising concerns, other than what I would do is gather the information on the individual. If I got that information, then there was no concern. If I didn't, then the transaction never got done. So they are not even on my radar screen as somebody that I would have concerns about that's currently a DNC member.

Question. Well now, bear in mind I'm speaking about people who had not previously given contributions. But my assumption, which might be wrong, is that if somebody came in and said I would like to make a contribution, the default would be to accept the contribution and do whatever was appropriate with the contribution, the check or in-kind or whatever it was?

Answer. Right, and that's taking down their addresses and their phone numbers and filling out their information. We were not on the front lines of screening every donor to make sure where they got their money, how they got their money, who gave them their money, because that is not what the party was set up to do, at least from my standpoint and from what I thought was a divisional standpoint.

As long as we got the information that was compiled, I would assume for a certain reason, I was never told that it was compiled for this reason or that reason, but I assumed if you had that information, you had enough information to do further checks on people. So if I had any concern about somebody from the beginning, it usually just didn't pan out because the information never came in so I didn't deal with the person anymore. But on those instances that we did, and for those that became donors, you had that information and you forwarded it on.

Question. And what information did you require?

Answer. It's on the check-tracking form which I have submitted: Name, company address or phone number. That kind of information.

Question. If the check-tracking form was filled out to your satisfaction, was that enough for you to accept the check and pass the check along to whoever the appropriate person to receive the check?

Answer. For the most part, yes. Unless any other kind of warning signals came up. But no warning signals came up to me other than not getting the information. And if I didn't get it, nothing happened. And if I did have it, then I forwarded it on, yeah.

Question. What types of warning signals were you referring to just then or were you looking for?

Answer. Just that you didn't get the information. Or if you had a check with a foreign bank account on it or the obvious.

Question. Did you ever receive any, once you had gathered the information, did you ever receive any information that caused you to speak with somebody else at the DNC and ask additional questions about that particular potential contributor?

Answer. Not that I can recall ever doing that, no.

Question. Did you ever route any of the information that you had received or initial donor interest to the general counsel's office?

Answer. I assumed that all the check-tracking forms and other information that we got on donors went through a system that was reviewed by the general counsel, and I assumed as much. I have never, until all of this broke, I have never been confronted on an ad hoc basis or otherwise with beware of this or this got rejected or whatever.

I mean, I try to be pretty compulsive about filling out the information so that that doesn't have to occur and we have to do double-takes.

Question. What is your understanding of how the system worked prior to November of '96?

Mr. REED. His understanding now?

Mr. WILSON. His understanding now of how the system worked before November 1996.

The WITNESS. That we filled out the check-tracking forms. The check-tracking forms were used both for completing the FEC reporting requirements, and I assumed that there were other uses of it, but I was not sure or did not know what those other uses were.

EXAMINATION BY MR. WILSON:

Question. Who would fill out the check-tracking forms?

Answer. It could be me, it could be somebody who received the check. Checks could come in on an event I was working on and I wasn't in Washington and was at the site of the event, so somebody else would fill out the check-tracking forms. It was not a—you documented so at least you had a reference to go back to. But everybody filled out check-tracking forms.

Question. Were there ever any instances where you had filled out a check-tracking form and passed it along to the next stage of the process and it came back to you with a request to provide more information?

Answer. Not that I recall.

Question. What was the next step of the process once the tracking form had been filled out? To whom would it go next?

Answer. It went to people who keypunched the information into our system, called the AS-400. Who that is in particular and over a given period of time, I'm not sure or don't recall who was actually doing that.

Question. Were they——

The WITNESS. Can I interrupt and ask, the people behind us, who else has joined us in the room?

Mr. WILSON. As I was saying before, I don't always know who is coming in. Sitting behind me is David Bossie, who is with the Majority staff, and Jim Schumann, S-C-H-U-M-A-N-N, who is also with the Majority staff, both lawyers on the Majority staff. Investigator and lawyer.

EXAMINATION BY MR. WILSON:

Question. Were these the people who did the data entry for the check-tracking forms employees of the Finance Division?

Answer. I'm assuming they were, but I'm not exactly sure if they were.

Question. How would you transmit these tracking forms to them? Not trying to be mysterious, would you put them in interoffice mail and send them to somebody?

Answer. Could be interoffice mail or to your assistant or to the person that was collecting them, to the councils who would get it to them, or copies of it to the council so that they would be credited with the membership in the council. It varied from time to time.

Question. Do you know where they were located, the data entry people?

Answer. It could be in the basement of the DNC main headquarters or in the Fairchild Building, but I'm not exactly sure.

Question. I did ask you previously whether you were aware of check-tracking forms that you had filled out that were returned for additional information. Are you aware of any other of your colleagues who submitted check-tracking forms and who had those forms returned to them for additional information?

Answer. Not that I can recall, no.

Question. Was there a training process that informed you of how the forms are supposed to be filled out?

Answer. There were meetings from time to time, I'd say, on average, maybe three a year, where the department would be convened with Joe Sandler and Neil Reiff and they would reveal to us some of the guidelines for giving U.S. citizenship and subsidiary and what have you, check-tracking forms, completing the information. And that would occur roughly, as best I can remember, three times a year.

Question. Were these accompanied by any written material? Were you provided a memorandum that explained the process?

Answer. Yes, we were.

Question. How did the DNC keep track of contributions?

Answer. I think two ways. One through the AS-400, which is our worldwide, if you will, data base; and then through the donor councils or programs.

Question. And if you could explain in a little more detail for each one of those the types of material that would be generated that would allow people to keep track of the contributions?

Answer. The check-tracking form or word of mouth. Or those two lines of communication.

Question. If you wanted to know the donor history of an individual, how would you go about obtaining that information?

Answer. I would either check with the donor councils or I would refer to AS-400. But AS-400, because we don't have the labor to constantly update the records, somebody may have written a personal check and then a corporate check and not know that they are one and the same and, therefore, there are two records. So the integrity of the data is, in my estimation, not as clean as it could be, but it is a dump of everything.

Anything that was on a check-tracking form, I assumed, went into the AS-400. But you don't know if you are looking at one screen and there are four other screens or records that would track back to that individual. So, in addition to, or either/or, looking at AS-400 and also speaking to donor council folks.

Question. Would you, yourself, check the AS-400 system for this type of information?

Answer. Infrequently, because it's an antiquated system and you could probably get the information faster by just asking a few staff people whether they knew of this person or not or what's the history on this person or what have you.

Question. Did the AS-400 provide an aggregate list of all contributions made by a particular individual?

Answer. In some instances, yes. That's what its design is for, I presume. But there are people you could pull up where you wouldn't find all of the information, at least that has been my experience.

Question. And why would that be?

Answer. As I said before, I might not find them in one record, but somehow they could be embedded in another record. It just takes a lot of research and what have you to get to an exhaustive point where you feel comfortable that you have gotten every look of information that there is.

Question. Now, you mentioned there were two ways of keeping track of the contributions. One was the AS-400, and you mentioned a second way, which was, and I believe I'm getting this right, through the donor programs. Did they keep information separate from the AS-400 system?

Answer. I think that they kept the same information, but it was more up to date. For instance, if somebody's address changed, it's more likely to be changed on that Excel spreadsheet or Paradox or whatever that the assistant in the donor program is managing, but it may not make it to the AS-400.

Because I wasn't the only one that felt that the AS-400 was an antiquated system. And with Microsoft and Excel and everything else, you had things that were more—that facilitated the manipulation of information more so than the AS-400. Also, the AS-400 was designed for FEC reporting, and so it was just strict information for FEC reports and not the way lists could be managed and information maintained on individuals as it could be in the Excel spreadsheet by the donor programs.

Question. Were all contributions, the amount of all contributions entered in the AS-400 system?

Answer. I believe that, yes, they were.

Question. Were lists of contributors circulated regularly amongst the Finance Division staff?

Answer. I don't want to say—yes, they were exchanged among the staff. But the councils were pretty proprietary in terms of their lists.

Question. Was there any type of regular circulation of finance information to keep everybody in the Finance Department abreast of who was making contributions?

Answer. No. The trustee would not—wouldn't necessarily give the National Finance Council their trustee list to de-dupe. That, on occasion, would happen but not on a regular basis, no.

Question. Aside from who fit into whatever subcategory in the tracking systems, was there an overall list of contributions that came in, just names of people and amounts of contributions that were circulated?

Answer. That seems to probably be an unwieldy list. We had a million contributions in '96 and I have never seen a full document of the million contributions that came into the DNC, or the million checks that were written, but I'm sure it could be generated or has been generated as part of the FEC reporting and for other purposes.

Question. Breaking that down, and I do well understand that is an awfully unwieldy document if it were ever to be circulated, was there ever anything circulated that would indicate contributions over a certain amount?

Answer. That, again, would be council list $500 donors, $10,000 donors, $50,000 donors, those lists were not freely circulated, but if you needed to know and you were part of the system or you were raising money for that counsel and you didn't want to duplicate effort, you had access to the list.

Question. Who would you ask to obtain such a list?

Answer. The council directors.

Question. And they would be responsible for producing the list, for want of a better term, of their contributors?

Mr. REED. Let me object to the use of the term "responsible," but go ahead and answer.

The WITNESS. And I don't think it was a matter of responsibility. We've all worked for each other 3 and 4 years. Ari, could I see the trustee list or have an updated copy of the list. Sure, here's the list, in my instance.

Mr. WILSON. Sure, I understand the objection. What I'm trying to get at here is whether there's a way you could simply call down to some computer, that operator and say can you run me the list of managing trustees and you'd get that list.

The WITNESS. No, it was pretty much that you would call the trustee director if you want the most up-to-date, if Chairman Fowler wanted the up-to-date list on the trustees, he would go to one of the three people working in the trustee division. He would not go to the computer—he may go to the computer and ask for everybody that gave me $50,000 and above over the last month and that would spit out one, but he may also ask Ari to give him what his recent list was.

EXAMINATION BY MR. WILSON:

Question. Did you ever participate in discussions of how well certain programs were doing?

Answer. I don't think there was really ever a concern about this program. We've, every year, been successful in increasing the amount of money we've raised from year to year. There would be discussions of events that were business council events or whatever and we would put our focus to that event. I don't know that there was ever a time where we were lagging in one or the other or vis-a-vis the other.

Question. Did you ever participate in discussions with White House personnel that would analyze how one component was doing vis-a-vis another component?

Answer. Not that I recall, no.

Question. Do you recall whether——

Mr. REED. By component, I take it you mean the various councils? What you mean by——

Mr. WILSON. Right.

EXAMINATION BY MR. WILSON:

Question. Did you ever send lists of contributors to the White House?

Answer. I believe I did, yes.

Question. What types of lists did you submit to the White House?

Answer. Lists of donors with names, addresses, phone numbers, fax numbers.

Question. Were you ever asked for certain—were you ever asked for donors to be broken down under certain categories by White House personnel?

Answer. I think for our Christmas list, we had National Finance Council members, business council members, in that regard. I may have been asked for a minority list. I may have been asked for a specific group, industry group or something like that, if I had that kind of a sort on a list from time to time, yes.

Question. Were contributor lists by minority kept at the DNC?

Answer. Well, I kept—I don't know that they were kept as—like they're coded, you know, by ethnicity in the AS-400, which is a central data base, but I certainly had a list of African-American donors or I should say I had a list of donors that were contributed to events that were steered, chaired or whatever by African-Americans and primarily the group on the list would be African-American.

Question. Do you know if the White House ever provided the DNC with a list of birthdays?

Answer. A list of?

Question. Birthdays.

Answer. No. I'm not sure I understand the question.

Question. Just whether the White House sent over a list of individuals of any sort and what their birthdays were?

Answer. I'm not aware of that.

Question. There's a term of art I've come across that I don't understand. It's the fund-raiser account.

Do you know what that is?

Answer. Yes, I've just learned about it through the deposition in the Senate, and I guess from a document I saw that had David Mercer, fund-raising account with the list of people that contributed and they designated into that account, is an account that is a compilation of the events that you were associated with, and if a check came in around that time of an event or somebody participated in that event with the check, then they just assumed that it was under the Mercer account and put it into that account.

I looked at a list in the Senate deposition and half the names I had never even seen before. Or if I did see them, they were on a guest list, but I did not bring them in. And then there was a component of those that I solicited and attended the event

that I was aware were coming and wrote checks. So it's a wide range of what composes the fund-raising account. I didn't have direct input into it and was never shown it before for me to revise or clarify or do any edits to. You'd have to ask the people who generated the fund-raising account or inputted the fund-raising account, because I'm not sure.

Question. Do you know who those people were?

Answer. Which people?

Question. The people who generated the fund-raising account.

Answer. No, I don't.

Question. Did you have access to any data base kept by the White House?

Answer. No.

Question. I would just like to get a little bit of background information on the procedure by which checks were ultimately deposited in the bank. You've described that information would come in, you put it on the check tracking form. Would you obtain that information generally before you received a check?

Answer. Sometimes you had that information before you received the check because they were going to be guests in a Presidential, Vice Presidential or principal event so you had the general information from them and they would be on guest lists or bios or whatever paper was submitted or gathered, and when you got the check and you filled out the form and you didn't have the phone numbers, you tried to get the phone number or an add to the information you already had.

Question. What would happen when you received a check at the same time that you would get the donor information? And I'm asking what would you do next? Where would you send the check?

Answer. I would fill out the check tracking form and hand it in to whoever was collecting checks, with the check tracking form. Additionally, I would make a copy of it to give to the council members as part of being responsive in making sure that somebody who gave a check became part of a program and had an ongoing dialogue with the institution through that program as opposed to them writing a check, going to an event and them never hearing from us again.

Question. How would you handle situations where you, as you described previously, where you get information about somebody in anticipation of the check coming in later? Specifically, would you hold on to the tracking form and wait for the check to come in and send it out at the same time?

Answer. If I was working on a guest list, I would get the information that was required for the guest list, they would attend the event, if they gave us a check, I would have the check or somebody else had the check, we'd pull out a check tracking form, fill out the information from the information on the guest list and the check, and hand it in.

Question. Did the tracking form always go—when a check was sent to whoever received checks, was it always accompanied by a check tracking form?

Answer. As far as I know. I don't know of checks to us that didn't have a check tracking form to it.

Question. I'm not going to belabor this too much longer, but where did the tracking form and the check go?

Answer. I don't know. You should talk to Joe Sandler or Neil or whomever deposited the checks. I don't know.

Question. But when you were putting it in interoffice mail or giving it to an assistant to move through the process, where did you tell them to take it?

Answer. I could tell you now, I give it to Scott Foval, who is in charge of collecting the checks. I do not recall who I gave them to in the past. You can find that information out, but I don't want to offer up names of people that I don't know for sure were doing that.

Question. Well, I'm not really interested in the specific names so much as just the process. If you'd say, take this down to such and such an office or—I just want to know where it went.

Answer. I think it would go in our division to somebody, they would keep information on what money was coming in for all the events that we were doing, so the money would go on a spreadsheet there. Then it would go to somebody to keypunch in the AS-400. I don't know who that was, and then I guess they were compiled for deposit, I would assume, with Brad Marshall or somebody under his auspices, but I don't know the full length of the process.

Question. And I don't mean to be argumentative, but I am just missing the component of sort of, if you had the tracking form with the check, literally to whom it would go next. It may not be there was one person. I don't know.

Answer. Our staffs have changed at least—it could be—I don't know if it was Susan Lavine, I don't know if it was Joan Kinney. I just don't remember who it was.

Question. Actually this is my fault. I'm not so much interested in the name of the individual as the title or the office.

Answer. It was in the Finance Division, just like Scott Foval right now is in the Finance Division. We give him the checks, he allocates it to the event, and depending on what's on the tracking form or it may be a check that came in that wasn't assigned to any event, he put it to an event that's current or something past. I don't know. That's what I thought would be a determination by the Finance Director who would look at the summaries and review that.

Scott Foval then takes the check, and I'm not sure where he goes with it, other than making sure it gets inputted in AS-400 and then to the Controller's Office. Actually, now it may be the Compliance Division, the Compliance Division as a separate division which was formed as a result of all this.

Question. Before November of 1996, did you ever, and I asked this question before in terms of whether something came back and people were asking about propriety or impropriety of a check, but did anybody ever send the check and the tracking form back to you and say, where should we allocate this contribution?

Answer. That may have happened. Do I recall any particular instance? I don't. And it didn't happen—if it did happen, it happened very, very seldom and infrequently. I do recall one instance where I was working on the convention and it should have been allocated to a convention account and it got allocated to another event. That's one instance, but I don't recall others like that in response to your question.

Question. Maybe if you could just give a general description of something that hopefully will save a little bit of time on this and that is, one of the mysteries that we have received in production, many examples of fund-raisers that theoretically raised a certain amount of money, was put on spreadsheets, that sort of thing and I'd like to just get a general sense of how the moneys were attributed to certain events, who did it and how it happened. If you could just provide some sort of background.

Answer. There I would say are probably three, if not more points, where a decision could be made on where that check got credited to. One is the person receiving the check, assuming that it was for a particular event and just putting that there, even if they had not worked on the event or they could have worked on the event, but they just assumed it was for that event or it was in the same time frame as that event. It could have been a check that I received that I just put the information for that event, or it could be that an event was closed out that that person attended to and another event was still open, so I put that check to that account.

Then there's a finance director or there could be council directors who also do their own events who, we had a lot of crossover of donors, in talking with one another. A donor may have said, I'm going to put it to this event and also told the other person that they were going to write $10,000 for that event, so there's dialogue as to where that goes. There's a whole hybrid of where that allocation, and it's strictly an internal, and not based in fact or legal or—we didn't put it—we weren't looking at it as that. We were looking at it for our own internal bookkeeping.

Question. You mentioned in your answer that sometimes events would be closed out. How did that process work?

Answer. Meaning that they had met goal. An event's goaled at $500,000. $500,000 is in and above on that event, so why put money to that event and making it 580 on a $30,000 contribution when you have a hole on an event that was supposed to do 500 and is only at 300.

Question. So was the general practice, then, when an event had reached the targeted level of contributions that that account would be closed?

Answer. I don't want to say it was a general practice and, again, this is more an art than a science, but that would be the parameter that I would work under. There may have been others, the finance director included, who had other issues to deal with that I did not have to deal with or wasn't aware of. I can only speak to—I would say what sense does it make to put a check for an event that's over goal when it could go to helping out an event that is still under goal.

Question. Just to return, very briefly, to something we were discussing in passing earlier, and that is screening contributors to determine whether the donation would be accepted or rejected. What is your understanding of the present procedure for screening potential contributors?

Answer. The present?

Question. Yes.

Answer. We have a Compliance Department. We gather the same information we did on the check-tracking form, and for that individual to be a guest, either we submit the information with Social Security and date of birth or the check, whichever,

and that information, and before somebody gets on a guest list, Paul Houghtaling in this department, the Compliance Department, does a, I don't know what they do, but I'm sure they tap into data bases and if anything comes up, then they're not on the list. If nothing comes up, then they're on the list, in a general sense.

Question. How generally does this differ from the system that was in place prior to November of 1996?

Answer. From the press reports, as you well know, we did not have a Compliance Division. I thought that checks would get looked at from legal or other individuals and assuming that there was a compliance because why collect all this information? Why put them on guest lists, why submit bios, whatever, so I assume that was getting done, but evidently that was not being done, at least on the wholesale fashion that it is now. It could have been getting done.

I don't have a judgment on that because I don't know, I just assumed that it was, that something was being done. It was not my concern because I wasn't an attorney and I wasn't in a division vested in that to wonder how everything is being screened. That wasn't my function. My function was gathering the information and submitting it. It would be more like putting the fox in charge of the hen house for me to be determining whether something is viable or isn't viable, unless it was clearly obvious.

Question. Were you ever aware that individuals who performed Nexis searches on contributor backgrounds no longer were employed at the DNC?

Mr. REED. I'm going to object to the question because it assumes that there was somebody performing Nexis background, and number two, that he knew that there had ever been a person.

Mr. WILSON. Sure, and I'll be very happy to take a few more questions to ask it that way.

Mr. YEAGER. If you could also include a time frame, too, Mr. Wilson.

EXAMINATION BY MR. WILSON:

Question. Okay, I'll include a few more questions about that.

Answer. If I could make a comment at this point, too. I think we're talking a lot in generalities and in vagueness with already the answers known and the documents to support the answers, and I don't know why we're going through all the generalities when we could be just addressing the paper as I did in the Senate. So I'm feeling like we're laboring through this. You already know the answers because you've seen the documents. I believe your question is did I know of a woman in research that left and, yes, I became aware that she left when all of this investigation started, but I did not know that they didn't have anybody in research not doing Nexis-Lexis. But I'm just thinking that——

Question. Actually, to cut you off, that saves me asking the four or five questions that would have been required by setting up a foundation and asking about the time frame, and I'm perfectly happy to cut to the chase.

Answer. I'm here to help.

Question. Absolutely. That's why I'm asking some questions like this without going through the "did you ever know" or "when were you," and that certainly does help.

Were you ever personally involved with Joe Sandler in asking for him to take a look at a particular contribution?

Mr. REED. Time frame? Any time?

EXAMINATION BY MR. WILSON:

Question. Any time.

Answer. I don't ever recall—I don't recall talking to Joe and wondering whether this is good or not, whether this contribution is good or not. I don't ever recall doing that. Most of those on a general basis, it would be between him and the finance director. I might—there might have been an occasion where I heard about something, but I don't recall that and I wasn't involved in it and it wasn't something that I dealt with immediately so that I was then brought into addressing it with Joe and the finance director.

Question. Are you familiar with FEC reporting requirements that applied to the DNC?

Answer. I'm aware of the information that has been distilled by the legal counsel's office as to what is required by the FEC. I don't take part in any shape or fashion with the FEC filing of the DNC.

Question. Do you know what information about a specific contribution must be disclosed to the FEC?

Answer. Other than the information that is asked for in the tracking form, I am not sure of other information that is required.

Question. Just to recapitulate, before you mentioned the name and the address, were there other types, when we discussed the tracking form, different types of information? Do you know with any specificity the information that was required by the FEC that was on the tracking form?

Answer. I am not sure what information was mandatory by the FEC or voluntary. I know that the events, the DNC contact and all that, I don't believe is an FEC requirement, but I don't know for sure.

Question. Do you know whose responsibility it is at the DNC to file an FEC report, or the FEC reports that are required?

Answer. I don't know for sure. I am assuming it is Neil Reiff.

Question. Are you aware of a report prepared by Ernst & Young regarding fundraising at the DNC?

Mr. YEAGER. Your question assumes that there was a report prepared by Ernst & Young.

The WITNESS. What do I do?

Mr. WILSON. I'll be perfectly happy to——

Mr. REED. You can go ahead and answer it.

The WITNESS. I am aware that the DNC had Ernst & Young do a report. I was maybe shown a portion of that report at the Senate deposition, but I was not shown internally by DNC staff or any others what the results of that report are.

EXAMINATION BY MR. WILSON:

Question. Did you ever meet with Ernst & Young employees in anticipation of their preparing a report?

Answer. No, I did not.

Question. Did you ever have any discussions with Chairman Fowler or Chairman Dodd about Ernst & Young and anything that they might be doing?

Answer. No.

Question. Did you have any discussions with Richard Sullivan about the Ernst & Young project?

Answer. I may have, but I don't think I did.

Question. Were you asked to provide or prepare any information in anticipation of the Ernst & Young report?

Answer. I'm going to take a jump and I assume that it's a tie-in. It was brought to my attention, and I was made to recall a conversation between Joe Sandler and I, who was asking how to contact Charlie Trie in order to contact three other donors that we viewed as his, his being the solicitor of. I got him some numbers. I don't know if it was Charlie's and/or—if it was Keshi Zhan or not, but through Senate deposition, I recall that he had asked that and I don't know if that was as a result of or a tie-in to the Ernst & Young report or not. I assume it was because it was all in review of contributions, but that is all that I know in regard to the Ernst & Young report.

Question. Do you know and it's a little bit difficult to separate what you now know from having read, presumably, an infinite number of news accounts on this subject, but prior to Ernst & Young completing its work product, were you aware of a certain dollar amount of contributions that were being scrutinized?

Answer. I only knew that from press reports. No one came down to my office to give me a briefing on how much we're looking at, what universe, what people, who was under review, who wasn't. I don't have that information nor was it shared with me.

Question. When Ernst & Young completed its work product, are you aware that they recommended that some checks be returned?

Answer. I know that from press accounts.

Question. Did you have any discussions with anybody at the DNC about returning contributions that had previously been accepted?

Answer. Yeah, but it was before the Ernst & Young report.

Question. Were contributions returned prior to Ernst & Young being engaged?

Mr. REED. The question is were they actually returned?

Mr. WILSON. Correct.

Mr. REED. Or did he have information?

Mr. WILSON. Correct.

The WITNESS. I had information that a check, I think, from a Richard Tienken was returned, and that was in the span of October-December, but I don't know when exactly that was.

EXAMINATION BY MR. WILSON:

Question. Who provided that information to you?

Answer. I believe it was with Richard Sullivan and Joe Sandler.

Question. Are you aware of any other check contributions that were returned prior to Ernst & Young being engaged to do a report?

Answer. Other than the one reported initially in the press from the, I believe it was a Choeng Am Corporation, $250,000 check, and I may have heard reference to a check being returned in a senior staff meeting prior to going out to California, in that time period, in the fall of '96, and then reading about it and making the connection that that was maybe the check that they were talking about in the senior staff meeting.

Question. At the time or after the time that Ernst & Young made recommendations about contributions which should be returned, were you involved in the process that involved returning the contributions?

Answer. No. I wish I was, but I wasn't.

Question. Did you call anybody up to explain to them why their checks were being returned?

Answer. No, I did not. And that was a—a concern was we're wholesale sending these checks back and who knows for what reasons, for people that were trying to be supportive and what have you, you just hated to see donors being rebuked by that, but not only that, but they go on public display, and they become vulnerable to the investigation, to the press and hounded and everything else, and so you're seeing people that helped work with you for 4 years that are going under that scrutiny. Now, who am I to say and pass judgment on whether that is undue or due for them to undergo, but to sit there and see it happening, it was troubling.

Mr. REED. Excuse me, counsel, when you reach a convenient breaking point, I would love to break and use the rest room, if I could.

The WITNESS. I'll do the same.

Mr. WILSON. If we could go off the record.

[Recess.]

EXAMINATION BY MR. WILSON:

Question. What was Scott Pastrick's position at the DNC?

Answer. Treasurer.

Question. Do you know whether he was responsible for providing the FEC filing material to the FEC?

Answer. No, I don't.

Question. Do you know whether he signed FEC reports?

Answer. I think I may have heard that, but I don't know for a fact whether he did or not.

Question. What did you hear?

Answer. That he may be the signator on the FEC report.

Question. Are you aware——

Answer. In the press, I may have heard that, or seen it.

Question. Do you know if Mr. Pastrick was informed of all expenditures made by the DNC?

Answer. No, I'm not aware of that.

Question. Did you ever hear of a concern that Mr. Pastrick should not be kept informed of DNC expenditures for fear that he would pass information on to people at the White House about how DNC was spending money?

Answer. No, I did not.

Question. Do you know of anyone at the DNC who arranged for meetings between DNC donors and executive or Federal agency employees?

Answer. Can you repeat the question?

Question. Do you know of any DNC employees who might have arranged for meetings between DNC donors and Federal or executive branch employees?

Answer. I know that people have done it. I don't know who did it on any particular occasion. I've heard some press reports. And then I have been in touch with the executive branch or individuals there, letting them know that somebody may be called and to be as responsive as we could be.

Question. Do you remember on whose behalf you made such calls?

Answer. I don't have an immediate recollection. I'm sure I could be refreshed with documents that I've submitted as a result of the subpoenas, but nothing jumps up at me about a certain request and how I went about following up that request.

Question. Were you ever required to clear your contacts with executive branch employees or did you just simply make calls to whoever was the most appropriate person to speak with?

Answer. Depending on the nature of the contact, some I would inform and others I would proceed because of the nature of the call.

Question. Do you recall any situations where you actually would speak with somebody or did speak with somebody at the DNC before making a subsequent call?

Mr. REED. Call would include a contact of some kind?

EXAMINATION BY MR. WILSON:

Question. Contact of some kind.

Answer. I recall with a Rodney Ellis drafting a memo to members of Chairman Wilhelm's staff and providing the information as to what follow-up has been requested with regard to the request, and it was decided that the request would not be made by Chairman Wilhelm.

Question. Who is Rodney Ellis?

Answer. He's a State Senator from Houston, Texas.

Question. Did Mr. Ellis contact you directly to attempt to arrange a meeting?

Answer. I think it was for a call to be made, I'm not sure it was for a meeting and I'm not sure if it was the Senator calling me or his staff calling me, but there's documentation on it.

Question. Do you know what he wanted?

Answer. I believe it had something to do with contracting at the Department of HUD.

Question. Do you have any other recollections of individuals who you spoke about to other DNC employees before making calls?

Answer. None off the top of my head, no.

Question. I'm going to provide the witness with a document that's a memorandum to David Mercer from Pam Wakem.

Mr. REED. Is this going to be Exhibit 1?

Mr. WILSON. Just to give you sort of a preview of the way this works, I may not include everything as an exhibit.

Mr. REED. Okay.

Mr. WILSON. If it's got very little relevance to anything, it simply will be put in. Otherwise it might be.

Mr. YEAGER. Just also if I could, if you would reference each document by its Bates Number, it would help me keep track of what we're talking about.

Mr. WILSON. Sure. This memorandum is Bates Number DNC 3236708.

EXAMINATION BY MR. WILSON:

Question. Do you recall whether you requested Ms. Wakem to prepare this memorandum?

Answer. I don't recall that.

Question. The "RE:" Line on the memo states Truman Arnold's request for additional information on servicing.

Do you remember this request?

Answer. I don't remember this request particularly, but I do remember that we had two or three meetings upon Truman Arnold's arrival as finance chairman and that this probably grew out of the meetings that we had and was a follow-up to those meetings.

Question. This memo suggests that the DNC designate one person to be in charge of setting up meetings with agency officials. Do you know whether such a position was ever created?

Answer. I don't believe one was, but I don't know that for a fact. But I was not aware that there was one such person to the best of my recollection.

Question. The memo also refers to problems in getting lists of who was actually invited to White House events.

Do you know whether the DNC ever successfully obtained this information from the White House?

Answer. I think we did, not in a formal way, but there may be—that constantly was a problem. We wouldn't know if a group had attended an event or not unless we were told by the particular supporter.

Question. Was this a constant problem during the entire time you worked at the DNC?

Answer. As far as I can remember.

Question. Do you know from whom the DNC received the information requested in the memorandum about the list of attendees at White House functions?

Answer. Can you repeat the question?

Question. Do you know who would have furnished the information that is discussed in this memorandum about attendees at White House functions?

Mr. YEAGER. Excuse me, I may have missed it. Did he testify that somebody did provide?

Mr. WILSON. Well, actually I guess—I am not sure if he did or did not, to be perfectly honest.

Mr. REED. Are you referencing the second page of the memorandum, the list problems?

Mr. WILSON. Yes.

EXAMINATION BY MR. WILSON:

Question. There is a section that indicates that we had a point person in the White House. That person would be able to report back to us who is taken care of and if there is a problem.

Was there ever such a person designated to be the liaison between DNC and the White House?

Answer. Not that I am aware of.

Question. Was there a person generally who handled this responsibility?

Answer. Not that I'm aware of, other than I—you may have had a donor that was going to an event and didn't get in and then you're hearing about it the next day. They were on the list, supposed to be on the list, whatever.

Mr. WILSON. I'll mark this as exhibit DM–1.

[Mercer Deposition Exhibit No. DM–1 was marked for identification.]

[Note.—All exhibits referred to may be found at end of the deposition.]

Mr. REED. Is this a copy we can keep?

Mr. WILSON. The procedure is as follows: We collect all the documents at the end of the deposition. The documents will be appended to the deposition, so when you review it, you will have them.

Mr. REED. We shouldn't write on this document?

Mr. WILSON. Please don't, but if you do that would not be the worst thing.

EXAMINATION BY MR. WILSON:

Question. Did you ever eat at the White House Mess?

Answer. I believe once.

Question. With whom?

Answer. It was with, to the best of my recollection Patsy Thomasson and Miguel LaSalle and two others I believe were there.

Question. Do you remember when this was?

Answer. I don't.

Question. Very generally. Do you remember the year?

Answer. I would say it's between '95 and '97 is the closest I can recall.

Question. Was this a social visit?

Answer. As far as I can remember, and the nature of the conversation seemed to be of a social nature, yes.

Question. Do you recall whether you were there to discuss any business-related issues?

Answer. I was there primarily just to—as an escort, if you will, an accompaniment. That was pretty much my function. And I don't recall any business or the purpose of it being for business. There could have been business around it, but I wasn't aware of it.

Question. When you say you were there as an escort, were you escorting a particular person?

Answer. I had—I don't know if I met them there or made sure that they were cleared, and then went with them to the Mess or whether we met at the DNC and went over. I don't recall.

Question. Did you go to the White House on that occasion with a group of people? My confusion here is I know that Ms. Thomasson is a White House employee.

Answer. Correct.

Question. Were you there with Mr. LaSalle?

Answer. I was there with Mr. LaSalle, yes.

Question. And is Mr. LaSalle a DNC donor?

Answer. Correct.

Question. Were there other individuals that you accompanied to the White House on that occasion?

Answer. There were two or three other people in his group who I don't recall the names or know who they were particularly.

Question. And did you all eat at the Mess at that time?

Answer. Correct.

Question. Do you know—how did one gain access to the White House Mess?

Answer. I don't know, other than I would assume that they call an individual who works at the White House who has Mess privileges and that person would serve as a host for them at the White House Mess.

Question. Did you have to have an account to eat at the Mess?

Answer. I don't know the internal machinations of that.

Question. Do you know whether the White House Mess—bearing in mind the definitional problem here, but frequently used to entertain DNC donors?

Answer. I don't know that.

Question. Did you have discussions with other of your colleagues about taking donors over to the White House Mess to eat?

Answer. There may have been an occasion where somebody said that a donor was going over. To me it was infrequent and I wasn't focused on White House Mess privileges or people going to White House Mess for lunch.

Question. Do you know specifically referring to your lunch with Ms. Thomasson and Mr. LaSalle, do you know who paid for the lunch?

Answer. No, I don't.

Question. Do you know whether there was ultimately any DNC reimbursement for the lunch?

Answer. I don't know.

Question. Did you ever draft suggestions of individuals to be considered as overnight guests at the White House?

Answer. I don't think—no, I don't think I ever drafted anything like that or made a recommendation that somebody—and I don't even remember knowing about it and it could have been just through press reports that I knew that there were sleepovers in the Lincoln bedroom and what have you.

Question. Do you recall whether a donor ever asked you about spending the night at the White House?

Answer. Certainly, after it was disclosed and in the press and why wasn't I, yes.

Question. Do you know if there were lists kept of individuals who might be considered or should be considered for as overnight guests?

Answer. I don't believe I ever saw a list. And the first time I saw a list was in the press or in Time Magazine or something like that.

Question. Did you ever travel on Air Force One or Air Force Two?

Answer. I traveled on Air Force Two on one occasion.

Question. Do you remember when that was?

Answer. Probably in 1995, as best I can remember.

Question. What were the circumstances of your traveling in Air Force Two?

Answer. The circumstances were that Richard Sullivan could not attend a fundraiser in Atlanta, Georgia, and that on last minute I was asked to substitute for him, flew down commercially and took his place on the plane back from Atlanta, Georgia, that night, with Chairman Fowler to Washington, D.C.

Question. Did any DNC donors accompany you on the leg that you were on Air Force Two?

Answer. No, they did not.

Question. Did you ever arrange for DNC donors to fly aboard Air Force One or Air Force Two?

Answer. I don't believe I ever did, no.

Question. Did you ever make any suggestions for people who might be invited to fly on Air Force One or Air Force Two?

Answer. I may have, but I don't recall ever making a formal recommendation of who should fly on Air Force One or Two. I know people who have, but it was not as a result of my recommendation or suggestion.

Question. Do you know if places were reserved on a regular basis for DNC donors at White House private dinners?

Answer. Private dinners being——

Question. Again, I'm not going to be mysterious here, I do know that DNC donors went to White House dinners and that's not an issue, but was there ever talk of reserving a certain number of spaces at White House dinners for donors?

Answer. Not that I know of. I know that there were—if it was a State dinner, that you had people making suggestions from all over, from entertainment and whatever it was. But I don't know what the formula was or if there was a formula or who made those decisions.

Question. Did you ever make any suggestions for individuals to be considered for going to a White House dinner?

Answer. Sure.

Question. Who would—what was the format of your making the suggestion? How would you do it?

Answer. It would be a memo. For the most part it would be a memo to the finance director, who would take suggestions from staff as to people who might be interested in attending one of those events.

Question. And when you say finance director, and bear in mind you did work there and have worked there for a period of years, are you referring both to Ms. Hartigan and Mr. Sullivan?

Answer. Correct.

Question. Generally speaking, and I don't want to get into some definitional problem here, but anything that might be regarded as a perk, going to the White House or visiting to do any number of things, movies or play tennis or whatever, how would you communicate somebody's interest, if somebody asked you to do something?

Mr. YEAGER. I don't mean to pick at this, as matter of definitions, but I have to object as to the issue of clarity, I think.

Question. You mentioned just a moment ago that you would prepare a memorandum for the finance director with a suggestion. Was that how you would generally make a suggestion as to a request to do something at the White House?

Answer. Yes.

Question. Did you ever call the White House directly to make a suggestion?

Answer. I might have had a conversation with an individual or individuals in the White House about the list, but it was not my—my suggestion would be given to Richard or Laura. They would take that suggestion with other suggestions, they would prepare a master list, and then they would send that to the White House as the list from the finance division as to who would be invited.

Question. Did you receive contacts from the White House directly to comment on people on the list?

Answer. I may have, but I mean—I don't recall specifically receiving those calls or who called me. I only say that because they may have asked me about who is this person or whatever, but I don't recall that specifically. I think they would primarily go to the finance director first and then come to me. Depending on my relationship with them, they may just call me directly with the finance director being unavailable.

Question. Referring specifically to the White House dinners, do you know if access was restricted to a certain level of donor, certain financial level of donor?

Answer. I don't believe that's the case.

Question. Are you aware of invitations ever being given to donors to participate in trips outside of the United States with administration officials?

Answer. Not that I'm aware of, of who Commerce or who Secretaries extended. I'm not aware. I may have been told by a donor that they were going on a trip or that they were going to be in the country at the same time, but I'm not aware of their machinations as to who got on the trip, what the requirements were and all that business.

Question. Did you ever make any suggestions for a DNC donor to go on an official government trip outside of the United States?

Answer. I may have been asked for names of people who fit a certain profile and provided a list of names that they then chose from. I don't know if those people ended up on a trip, didn't, or whatever, but that was the extent. And I might recommend somebody, but I'd have to see whether, from paper, whether or not that person did get on a trip or whatever. Usually I didn't know the following up or whatever.

Question. When you refer to somebody of a certain profile, what would those requests have been?

Answer. Businessmen in the telecommunications industry or women, or exporters, or along those lines.

Question. Did the profiles ever include amount of financial contribution?

Answer. No.

Question. Who made requests for such lists?

Answer. In preparing for document requests, I recall MBDA, or Tracy Ransford at MBDA asking me. Phyllis Jones at USTR had asked me for certain—for names. Off the top of my head that's what comes to me.

Question. And MBDA is what?

Answer. Minority Business Development Agency.

Question. Did you ever receive a request for this type of information from the Department of Commerce?

Answer. MBDA is within the Department of Commerce, and Kathy Hoffman, who was in the Secretary's office, may have asked me for names, but I don't recall. We always had—we were friends from years back, so we always had considerations.

Question. Do you recall a specific request being associated with a specific trip?

Answer. Other than Charlie Trie, who was not part of the official delegation but was going to be there at a certain time that was around the time that the Commerce Secretary and others were going to be in China, and that was making them aware that he was going to be there, and if he could be involved in the social activities, you guys address the issue and deal with it.

Question. Any other trips outside of the United States that you can recall?

Answer. It's just been brought to my attention, through the paper or whatever, Gary Belz, who was a supporter of ours out in California, who had a hospital in India or somewhere in that region and had met the First Lady, talked to her about it, and I wrote a memo following up that request, and at least doing due diligence and putting it on paper and having them address it accordingly as they saw fit.

Question. Did you ever discuss requests for appointments or placements on government boards or commissions with DNC donors?

Answer. Yes.

Question. Did you—first generally, do you recall who you had such discussions with?

Answer. I don't recall specifically, but it was a pretty general knowledge that there were boards and commissions and points of information as to how you would be considered for a board and commission.

Question. And do you recall specific individuals who might have——

Answer. I don't, off the top of my head.

Question. Did Charlie Trie ever have discussion about potential placements on a board or commission with you?

Answer. Only after the fact, telling me he was being appointed to a board, which I believe was in Commerce, from what I have read in press reports. But I did not know prior to that he was being approved for a board, nor did I recommend him for.

Question. Where did that discussion take place?

Answer. Oh, I don't recall.

Question. Do you remember whether it was at a face-to-face meeting or whether it was a telephone conversation?

Answer. I don't.

Question. Did James Riady ever discuss with you boards or commissions and the possibility of getting a placement on a board or commission?

Answer. No, he did not. And that's also assuming James Riady—I know who he is. I don't for the record except having met him once or twice and can pick him up in a photograph. But I didn't dialogue with Mr. Riady.

Question. Did Pauline Kanchanalak, and I will return and ask a few questions about Mr. Riady and Ms. Kanchanalak later, did she ever discuss with you possible placements on a board or a commission?

Answer. She did not.

Question. Did you ever receive requests from the Commerce Department for suggestions to go on a board or commissions that were under the Commerce Department?

Answer. I may have been asked for a name or two, but I don't recall specifically what they were or who I may have provided them names, what names I may have provided them.

Mr. YEAGER. If I can interject a question, was it your understanding that the names you submitted, that those people would get on boards and commissions, or it was just a list of names?

The WITNESS. No, it wasn't. The way I perceived it was we deal with businesses and businessmen and women and community leaders and whatever, so we were a pool from which to get recommendations for them to include, among others, and that—just that they were in a pool, and they would be reviewed just like anybody else was.

Mr. WILSON. I'm showing the witness the document that's a memorandum to Ari Swiller and Richard Sullivan from Eric Sildon and Jay Dunn, Bates Number DNC 3052822, and I will note that Mr. Mercer's name does not appear on this memorandum.

EXAMINATION BY MR. WILSON:

Question. Do you recall ever having seen this memo?

Answer. No, I don't.

Question. Do you recall whether a list of recommendations for nominees to the President's Export Council was prepared by DNC Finance?

Answer. I don't recall or don't know for a fact of whether or not that was prepared.

Question. Did you receive any requests for recommendations for the President's Export Council?

Answer. I may have, but I don't recall the Export Council per se.

Mr. YEAGER. Let the record reflect that counsel is showing the witness DNC 3052822.

EXAMINATION BY MR. WILSON:

Question. Do you know what the President's Export Council is?

Answer. I'd only be guessing.

Mr. WILSON. That's fine. I will mark this exhibit DM–2 and submit this for the record.

[Mercer Deposition Exhibit No. DM–2 was marked for identification.]

Mr. YEAGER. If I could object. I'm not certain why you would include a document into the record that the witness hasn't seen, didn't author, didn't receive and really hasn't given any substantive testimony about. The inference might be that he's testified to the document when, in fact, he has not.

Mr. WILSON. As an accommodation and courtesy to the witness and counsel who will be reviewing the deposition, they will have the document. If they want to review the document, they will be able to do so without having to make further contacts with us.

Mr. YEAGER. Is that what you would like to do?

Mr. REED. That's fine. I appreciate the concern expressed, but I think the testimony is very clear, at least with respect to this particular document, that David never saw it, had no knowledge of it, and it would make it easier for our review.

Mr. YEAGER. Okay, objection is withdrawn.

EXAMINATION BY MR. WILSON:

Question. Do you know whether the DNC finance division ever suggested individuals to use the President's box at the Kennedy Center?

Answer. Yes, we did.

Question. Was there a system for making recommendations to use the President's box?

Answer. Yes, there was.

Question. And how did that work?

Answer. I think you made recommendations in conjunction with the finance director or with, I believe it may have been Eric Sildon and Brooke Stroud, who did donor services, supporter services, DNC membership services, whatever we called it, and they would handle those requests and work with as liaison to the White House regarding that request.

Question. Did you ever make recommendations for people to use the box at the Kennedy Center?

Answer. I may have. I know that I had attended myself the Kennedy Center box on one occasion when it was available and no one was using it, and sometimes that occurred where staff, I believe, used the box for a matinee or some function that nobody was interested in.

Question. Did you accompany a DNC donor on the occasion that you attended a performance at the Kennedy Center?

Answer. To the best of my recollection, the answer would be no. I believe I went with either a girlfriend or friends or—because I remember being very relaxed.

Question. Do you know who invited DNC donors to Presidential radio addresses?

Answer. I don't know what the system or who the point person was. It could have been membership services, but I don't know. I don't think I ever made a recommendation or anybody addressed me about attending a radio address.

Question. Did you ever attend a Presidential radio address?

Answer. No, I haven't.

Question. Are you aware of whether the President held lunches designated for heads of corporations or CEOs of companies?

Answer. Yes, I am aware of that.

Question. Do you know whether donors were invited to these lunches, DNC donors were invited to these lunches?

Answer. Well, I think CEOs were invited, and by virtue of their standing in the industry and their participation in the political process, some of them were donors, yes.

Question. Do you know whether spaces were regularly reserved for DNC donors at these lunches?

Answer. I do not know that.

Question. Did you ever make recommendations for DNC donors to attend movies at the White House?

Answer. I don't think I did, no.

Question. Did you ever——

Answer. Best of my recollection, I don't think I did.

Question. Did you ever attend a movie at the White House yourself?

Answer. No, I did not.

Question. Do you have any knowledge as to whether Charlie Trie was invited to a movie or movies at the White House?

Answer. I am not aware.

Question. Do you have any knowledge of whether Ted Sioeng was invited to attend a movie at the White House?

Answer. I'm not sure. I mean I have seen the name Ted Sioeng, but I don't know who he is or—but—so I can't comment on whether or not he was invited. I don't know.

Question. Are you aware as to whether Mr. Arief Wiriadinata attended a movie at the White House?

Answer. I'm not aware that he attended a movie at the White House.

Question. And I will ask the same question of just a number of individuals. Mr. Bernard Bouschor. Do you know whether he ever attended a movie at the White House?

Answer. I don't know who that is either.

Question. Do you know whether Johnny Chung ever attended a movie at the White House?

Answer. I don't know for sure, but he's been there plenty of times, and maybe a movie was included. I don't know.

Question. Pauses are good things because I'm trying to work through a long list of questions and eliminate them, so bear with me for a moment.

Answer. Sure.

Question. Are you aware of DNC donors ever being invited to Camp David?

Answer. Not that I'm aware of, no.

Question. Did you ever make any requests for donors to be present at Camp David?

Answer. I did not, no.

Question. Do you know whether donors, DNC donors, were ever selected to greet the President when he arrived in the city that the donor resided in?

Answer. Yes.

Question. Did you ever make recommendations for people to be included in the greeting of the President?

Answer. I may have, yes.

Question. How would you make those recommendations?

Answer. To the finance director or to the event staff, depending on the circumstance. It was very infrequent when I did do it or—and usually they were the chairs of the events or the politician or the mayor and whatever.

Question. Did anybody ever make a request of you to be included in one of the greetings of the Presidential events?

Answer. All the time.

Question. And how would you—if you thought it was appropriate to help them, who would you contact, and what would you do to help them attend such an event?

Answer. Probably to Richard or Laura and then work with the events people if need be to follow up.

Question. Did you ever obtain photographs of supporters with the President or other White House or executive branch dignitaries on behalf of DNC contributors?

Answer. Did I receive photos?

Question. No, did you ever help individuals obtain photographs that had been taken at a previous time?

Answer. We had photos at events. We would get the contact sheet, and we would send out the photos. Sometimes they would get lost or whatever, and I may have gone over to the photo office maybe three times in the time I have been there and tried to track down a photo. But they were pretty much made available from the events.

Question. Was there a full-time DNC photographer?

Answer. I think we have had a DNC photographer, and I'm not sure—I mean, we are doing events all over the country, so there's different photographers all over the place. There's probably one or two D.C. photographers that we use or rotate.

Question. Do you know if there's a photographer employed by the DNC?

Answer. On a contractual basis? Yes.

Question. Do you know if there's a photographer employed as a full-time employee of the DNC?

Answer. Not that I am aware of.

Question. You mentioned that you had been to an office that, correct me if I'm wrong, I assumed it to be the White House Photographer's Office on a couple of—on three occasions at the most?

Answer. It was on the fourth floor of the Old Executive Office Building, and I think the reason I say three times is because I think it was going back there because on the first half-hour I couldn't find it, and going back on another day, and that's what I recall from it.

Question. Do you remember the occasion of your going to the office; who you were doing it on behalf of?

Answer. No, I don't.

Question. There's a term of art that has been used in documents called the birthday project. Do you know what the birthday project was?

Answer. It is the first time I'm hearing it, from you.

Question. Did you ever see any lists of names that were provided to either you or the DNC by the White House?

Answer. We may have seen a CEO luncheon list, Christmas lists, and there may have been a list of a state dinner or whatever, which was also published in The Washington Post, but it was sporadic and intermittent.

Mr. REED. Let me interrupt. How are we doing time-wise in terms of taking a brief break to get some food and bring it up, or if you want to go off the record a minute and talk about this.

Mr. WILSON. If we may, let us please go off the record.

[Lunch recess.]

EXAMINATION BY MR. WILSON:

Question. Finishing up a line of questioning I was asking you earlier, do you know whether DNC donors were ever sent birthday cards from the President by the DNC?

Answer. I don't know of particular instances, but I know that we could request—there's a form for Presidential correspondence, and you would—whether it was a condolence letter or birthday or celebratory or whatever, you would make that request on a form and send it to the membership services person who would then forward it, and I don't know who they forwarded it to.

Question. This was a DNC form that would go to the DNC Membership Services Office?

Answer. Correct.

Question. Did you ever fill out such forms?

Answer. I filled out, I believe, some condolence forms for the death of a family member or a notice of somebody's death or whatever.

Question. Did the White House ever contact you to ask for further information about your requests?

Answer. Not that I recall, no.

Question. Did you know whether your requests were followed up on and honored by the White House?

Answer. I don't know for sure, because I didn't see the letter, and, in most instances, I didn't get feedback from the supporter that, thanks for where I got this letter or whatever. Maybe one occasion somebody said that they received a letter, but I don't even recall.

Question. I had asked you just before our break about lists of names provided to the DNC or the White House. My recollection was I asked you whether you ever saw any lists of names that were provided to you, of names by the White House, and we were discussing official events and that sometimes official events lists would come back to you; is that correct?

Answer. I believe so, yes.

Question. Did the White House ever provide any lists of names that they anticipated might be followed up for soliciting contributions?

Answer. Not that I'm aware of, no.

Question. Did you ever receive any communication from White House employees about following up with individual potential contributors?

Answer. No, other than they were cleared for the event and let them know, or something like that. But on an ad hoc casual basis of given an event or something like that, but not out of the blue get a call and say, get back to them on this issue or something like that.

Question. I'm actually asking a slightly different question. Maybe I didn't ask the question, but what I'm getting at is do you have any recollection of somebody from the White House calling up and saying, you should call Mr. or Ms. X and ask them for a contribution?

Answer. No.

Question. Are you aware of a repository of information that has been described with the term of art as the White House database?

Answer. I am now, through the discussion in the press and the Truman Arnold involvement. And when I say involvement, his thinking that they were working with a White House database. Where—I don't know where it is; I have never seen anything from it and didn't know about it before that.

Question. When did you first become aware of the White House database?

Answer. I believe when the press accounts started.

Question. Did you have any knowledge of the White House database prior to reading about it in the press?

Answer. I didn't know they had a repository where they managed hundreds of thousands of names, no.

Question. Did either you or any of your colleagues in finance have access rights to any White House database—let me rephrase that, to any list of names kept on a computer at the White House?

Answer. No.

Mr. REED. With respect to you.

The WITNESS. With respect to——

Mr. REED. The question was do you or any of your colleagues, and I want to make sure that your response is to the question.

The WITNESS. Repeat the question, please.

EXAMINATION BY MR. WILSON:

Question. Did either you or any of your colleagues have access to any computerized lists kept in the White House?

Answer. Not that I'm aware of.

Question. Do you know of any employees—just to back up for a second, there are a number of employees that were paid salaries by the DNC who worked at the White House. Do you know of any—first of all, do you know of any employees paid by the DNC who worked at the White House?

Answer. I may have heard that somebody was, in gossip or as a result of the press, but I do not know for a fact who was, who is, who wasn't. I didn't know that.

Prior to the press accounts, I did not know who was on DNC payroll as far as the White House was concerned except for maybe some of the consultants, the pollsters. But I didn't know who was listed as a DNC volunteer, getting paid from the DNC, working at the White House for a fact.

I knew that people were liaisoning for the DNC, but I didn't know how they were paid or what have you.

Question. Is it fair to say, then, that if you were communicating or contacting somebody whose salary was paid by the DNC at the White House, you had no idea where their salary was being paid?

Answer. That would be correct.

Mr. YEAGER. If I might interject. Were you aware prior to press accounts that there were DNC people paid or DNC paid people at the White House? Did you know that for a fact?

The WITNESS. I knew that that was a possibility, but I didn't know who was on that list to being paid by the DNC.

EXAMINATION BY MR. WILSON:

Question. Do you know whether any DNC officials or staff received lists of names from the White House that were not simply lists of attendees at functions?

Answer. Not that I am aware of.

Question. Were you aware at the time or are you aware now of any information that relates to contributions to the DNC that might have been kept in any White House computer databases?

Answer. No.

Question. If you could, to the best of your recollection, who did you work with at the DNC when it came to providing lists of potential invitees to political or official events at the White House? I know you mentioned Mr. Sullivan before, but beyond Mr. Sullivan.

Answer. That would be primarily the person that would gather and actually send it over. It was usually the finance director. Or it could have been the membership

services people, I think Eric Sildon, Brooke Stroud, who, I think up through '96 were doing that kind of stuff.

But that was primarily what I was aware of was the process of—and I had at one point, I think either '95 or '96, helped gather the lists for submission to Richard for Richard to submit en masse to the White House for Christmas, Christmas cards, and also invites.

Question. Did you ever work directly with Mr. Sildon?

Answer. I didn't work directly with him. I interacted at points with him.

Question. Did he ever contact you to provide suggested names for events?

Answer. I mean, nothing specific comes to mind, but I'm sure we did. I mean, that was almost 3 years ago, so I don't really recall it being but on an intermittent basis.

Mr. WILSON. I have given the witness a document. It is Bates Numbered DNC 3096880. It's a letter from Vice President Gore to the executive director of the DNC, B.J. Thornberry. And if you would just take a moment to review the letter, please.

EXAMINATION BY MR. WILSON:

Question. This letter discusses an agreement between the Vice President and the DNC to maintain at the DNC a list of names provided by the Vice President. Were you aware of any such agreement?

Answer. I was unaware.

Question. Did the DNC have an autopen for the President's signature?

Answer. I heard a rumor that one would have been made available, but I don't know if one actually existed at the DNC.

Question. Did you ever have any need or occasion to have documents signed by an autopen for the President or Vice President?

Answer. Not that I can recall. There have been instances when people have requested signatures, and you submit the photos to the political staff, and they either autopen it or get originals, and you can never tell the difference, and return it to them, the donor. But I did that very infrequently.

Question. Did you ever draft letters to DNC supporters that were signed with an autopen on behalf of the President?

Answer. Not that I recall, no.

Question. Do you know of any other letters——

Answer. Well, let me back up and say that I drafted letters that would go into programs for events that would eventually be autopenned, and they would be in the inset of the programs for events. But I was taking your question to mean letters that went out to supporters and whatever. I don't recall ever having had that done.

Question. Who was in charge of the process when you drafted letters that would be included in programs that were signed with the autopen?

Answer. Anything that had to do with it going under his signature would go through the political division of the White House, and others maybe, but I don't know what the process was internally of who would review it and sign off on it.

Question. Do you recall dealing directly with members of the political affairs section in the White House on any particular inserts or programs that you drafted?

Answer. Not specifically. And generally it would get circulated around the White House: Legal, the Chairman's offices, and then sometimes, most of the time, the event staff would send it over to people who were doing the logistics, working with White House events, would send it over and they would get the material approved.

Question. Did you ever receive letter requests from DNC donors? And what I mean when I say letter requests, did you receive letters from donors that would make a request of you that you would follow up on?

Answer. For the most—sometimes, but I would try to have them directed to the people that they were asking to. I would suggest that, because to start anything in Washington you need to have it on paper, and I suggested to them that they write directly to the individuals they were seeking information from, for the most part.

Question. Did you ever obtain any gifts or White House memorabilia for DNC donors?

Answer. Yes.

Question. How would you go about doing that?

Answer. Upon getting—upon having the request made, I would ask the person who was responsible for that for chains or key chains or pens, and this one requested it, and give it to them. And they were also parts of our events. Usually there's a gift, a table gift or whatever, at our events.

Question. When you were obtaining something for a specific donor, outside of a big fund-raiser type of event, what types of things might you have offered?

Answer. Key chain, pen, cuff links.

Question. Any other things that you can recall?

Answer. Pads.

Question. Did you ever recommend any DNC contributors to play golf with the President?

Answer. I don't think I did, no.

Question. Did you ever arrange for DNC supporters or request DNC supporters to watch sporting events at the White House?

Answer. No, I didn't.

Question. Did you ever attend any of the President's daily scheduling meetings?

Answer. No, but I may have—and this is probably in list meetings where the schedule of social events was—no, I didn't.

Question. How frequently were the list meetings held? Were they weekly meetings?

Answer. No. And I seem to recall I maybe was there four or five times under those auspices, and I don't know if they still continue to have them or when they ended them or—I'm not sure.

Mr. WILSON. I have given the witness a document. It is what appears to be a call sheet. It's Bates Numbered DNC 3233338, and it has an entry that says, Mercer 3/22, and what appears to be a message which is as follows: What about India with, or W slash, First Lady to advise supporters how they can be involved.

Earlier we were talking about trips with delegations outside of the United States, and you mentioned a particular individual named Belz relating to a trip to India. Do you know if this has any relationship to that?

Answer. I don't know for sure, and I don't know if it directly relates to Gary Belz, B-E-L-Z, but it could have been.

The reason why I'm not sure is because when I can recall Gary mentioning it and the event with the First Lady, it was in December of the year, and I believe it was '95, and this is dated March. And I don't know whose call sheet this is, so I'm not sure if that was it particularly, but it could have been.

Ms. CLEARY. Can you tell us what this document is?

Mr. WILSON. I honestly cannot. It's a document produced by the DNC. It may or may not have been produced with the lion's share of documents from the DNC. They have not been identified as to source. This might have been, I just honestly do not know.

It is probably a call sheet from Richard Sullivan. It's the format of Mr. Sullivan's call sheets, and I would say that it is a call sheet prepared for Mr. Sullivan.

I would like to mark this exhibit DM–3.

[Mercer Deposition Exhibit No. DM–3 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Have you ever met Mark Middleton?

Answer. Yes, I have.

Question. When did you first meet Mr. Middleton?

Answer. I don't recall the first time I met him. It could have been in Arkansas, just seeing him. But the first time I remember exchanging pleasantries was the year of the Olympics, and that is because it was at Charlie Trie's home, and there were several folks there watching the opening of the Olympics that I attended.

Question. Have you ever been contacted by Mr. Middleton outside of a social setting in an official capacity?

Answer. He may have called me once after that meeting or that group at Charlie Trie's and said, it was good to see you, and asking me about the convention, but that's the last that, or even prior to that, that I can recall Mark ever calling me.

Question. Do you recall whether he made any requests of either you or your colleagues at any time during your employment at the DNC?

Answer. He didn't make them of me. I don't know if he made it of others.

Question. Was Mr. Middleton affiliated with the DNC in 1996?

Answer. Not that I know of.

Question. I believe you have answered this question, but just to follow up on one other thing, were you ever aware that Mr. Middleton was asked to serve on the finance board of directors in 1996?

Answer. It wouldn't surprise me if that was the case, but I don't recall anybody ever telling me that he was being asked to serve on the board.

Question. Were you aware that Mr. Middleton was doing fund-raising on behalf of the DNC?

Answer. I assume that he was having conversations with Truman Arnold and possibly Richard, but I didn't know the nature of those conversations and what he was asked to do, what he suggested he do or anything of the sort.

Mr. REED. Is there a time frame on that question?

Mr. WILSON. I'm actually purposely leaving it very broad, subsequent to the time of the meeting until the present.

Mr. YEAGER. Was there a time frame with respect to that assumption you just talked about?

The WITNESS. That assumption would be during the Truman Arnold chairmanship.

EXAMINATION BY MR. WILSON:

Question. Did you ever have conversations with any DNC donors during which they discussed Mr. Middleton?

Answer. Not that I can recall.

Question. Did you have any conversations with colleagues at the DNC during which they discussed any role that Mr. Middleton might have had in organizing fund-raising events?

Answer. No.

Question. Do you know Holli Weymouth?

Answer. The name doesn't strike out at me, no.

Ms. CLEARY. What was that name again?

Mr. WILSON. Holli, H-O-L-L-I, Weymouth, W-E-Y-M-O-U-T-H.

EXAMINATION BY MR. WILSON:

Question. Ms. Weymouth is an employee of Mr. Middleton's. Do you recall ever having been contacted by Ms. Weymouth?

Answer. No, I don't.

Question. Do you recall ever receiving any telephone conversations from CommerceCorp, which is Mr. Middleton's business?

Answer. No, I don't.

Question. Did you ever receive any calls or have any contacts with Yusuf Khapra?

Answer. The name doesn't—I don't know who that is.

Question. Mr. Khapra is a White House employee who worked with Mr. McLarty.

Answer. Now that you put it—he worked with Brian Bailey, I believe, and I think I met Yusuf during the list meetings.

Question. Do you recall any subsequent contacts between the two of you?

Answer. I think I may have run into him 2 or 3 months ago. He's now working in the private sector. I can't remember where, but we have passed by each other.

Question. Prior to November of 1996, were you ever aware of Mr. Middleton using the White House Mess?

Answer. No.

Question. I've given the witness a document which is Bates Number DNC 3022305. It's headed "Meeting with Mike Middleton and Sinar Mas Group Delegation." This document does not have Mr. Mercer's name on it. I provide it just for the purpose of asking whether you have any recollection of any contacts with Mr. Middleton in relationship to the Sinar Mas Group.

Answer. No, I have not.

Question. Have you had any contacts with Alejandra Castillo relating to the Sinar Mas Group?

Answer. Not that I can recall, no. I believe this is the first time, to the best of my recollection, that I've ever seen this Sinar Mas Group on paper or heard about them.

Mr. REED. Can I interject? What is edible oil?

Mr. WILSON. I have no idea.

Mr. REED. I'm very concerned about that. You see what I'm referring to.

Mr. WILSON. I've seen odd things in many of the documents we've looked at. There is one thing I will not ask the witness to do, and that is to try to figure out what edible oil is.

Mr. REED. Maybe it's cooking oil or something like that. Edible oil, okay.

Mr. YEAGER. If I might, I take it that you haven't seen this document before?

The WITNESS. That is correct.

EXAMINATION BY MR. WILSON:

Question. You indicated a few moments ago that you have met Charlie Trie.

Do you recall when you first met Mr. Trie?

Answer. I believe the first time was during the gala preparations of 1994. It would be in the summer of 1994.

Question. Do you remember the circumstances of your meeting him?

Answer. That he was participating in the gala. We had several staff rooms or a hallway that had different rooms, and I met him in one of the staff rooms, and I'm not sure who introduced us, but I remember that's where I first met him.

Question. Do you know or have you met Mr. Trie's wife?

Answer. I believe I have met his wife at an event or two.

Question. Do you recall when you first met her?

Answer. The image that comes out is I think there's an organization, national Asian organization, I believe the President was speaking at, not affiliated with the DNC or any other, and he had several guests, and we met at the top of the escalator, and his wife was with him, and I met her. That was probably '95. But I could have met her before, but it doesn't stick out at me.

Question. Have you ever asked Mrs. Trie to contribute money to the DNC?

Answer. I didn't have a relationship to the extent of—I'm not even sure if she speaks English. I just never dialogued with her.

Question. Do you recall whether Mr. Trie made a contribution in connection with that 1994 gala that you discussed earlier?

Answer. I believe he made a $100,000 contribution.

Question. Did you contact Mr. Trie in relationship to that contribution?

Answer. I did not.

Question. Do you know how he came to make that donation?

Answer. I do not know.

Question. Do you know who amongst your colleagues, if any of them, contacted Mr. Trie about that donation?

Answer. I don't know.

I need to make a correction. The date I first met him, I believe, was—to the best of my recollection, I think it was 1993.

Mr. REED. But the event and everything else you've described is the same. It's the date that is different?

The WITNESS. Correct.

Mr. REED. Okay.

EXAMINATION BY MR. WILSON:

Question. Just to return to that for a moment, 1993.

Is it fair to characterize what you said is that he was a participant in the 1993 Presidential gala?

Answer. Correct.

Question. Where was that held?

Answer. I envision the Washington Hilton, the one up on Connecticut Avenue.

Question. Do you know if he had made a political contribution in order to attend the gala of 1993?

Answer. I am assuming that the $100,000 contribution he made was attributed to the gala, and he served as a cochair or vice chair of that gala celebration, is my understanding, to the best of my recollection.

Question. So your recollection is that he made a political contribution at the general time of the gala in 1993?

Answer. That's correct.

Question. Do you have any particular reason to recall that? I'm just trying to nail down the time of this contribution. Is there any particular reason that that sticks out in your mind?

Answer. Yeah, because I've been asked about it and been thinking about it, and from the Senate depositions and compiling paper and seeing it in handing over the gala information and seeing that Charlie was a vice chair. I mean, the dates may be off, but I'm pretty much—in the framework of what we're talking about, I'm giving you the best of my recollection of it.

Question. In 1994, returning to the 1994 Presidential gala, was Mr. Trie also in attendance at the 1994 gala?

Answer. I don't recall. I'm trying to. The next follow-up of Charlie Trie is the '94 birthday, August birthday party, which I know he contributed to, was an event that I worked on, and that's what comes to recollection. But I'm not sure, he could have also taken part in the '94 gala as well, but I'm just not sure of that right now.

Question. Did you have any contacts with Mr. Trie about where he would be seated at the gala? I'll ask this about either the '93 or the '94 gala, because I have seen information that indicates that he had contacts about where he would be seated at one of the Presidential galas. Do you recall any contacts with Mr. Trie about this?

Answer. I'm not sure that I talked with Mr. Trie about where he was sitting, but I know that there were conversations with staff or others about where he would be seated, and I summarized that in a memo.

Question. Do you recall who the memo was addressed to?

Answer. I believe it was John O'Hanlon, but I'm not altogether sure.

Question. I think this is probably the memo we're referring to. If you would just take a moment, this is a memorandum from Mr. Mercer to John O'Hanlon. It's marked F 0045848.

Answer. If I may comment. I will stand corrected again and say that it was the '94 gala where I first met him as opposed to '93. I did not know Charlie, I believe, in 1993. I believe the first time was in '94.

Question. This memo helps you to recall that?

Answer. Yes.

Question. How does the memo assist you?

Answer. Because I knew that I had met him at a gala and then saw him at—and talked to him about the Presidential birthday, but I couldn't remember if it was '93 or '94. But this memo helps me, because of the date of the memo, know that it was in 1994.

Question. Who is Mr. O'Hanlon?

Answer. He is a friend of Terry McAuliffe's, who had come in to help us with preparations for the gala.

Question. Was he a DNC employee at the time?

Answer. No, I think he was doing that on a volunteer basis.

Question. Do you know where Mr. O'Hanlon is employed?

Answer. I think he has his own firm here in D.C.

Question. I just want to follow up a little bit. There is an entry in this document under Mr. Trie's name, and it indicates that he gave $100,000—quote, that I believe went to health care, unquote. I just wanted to follow a little bit up on this contribution for health care. was there in the finance division a separate account or dedicated place where contributions would go relating to health care?

Answer. I don't know the specifics. I know we had a health care campaign, but I don't know if there was a specific account to which a check was written or to which funds were deposited. But I do know that there was a campaign to raise money for health care and also to promote health care in general.

Question. If you could, maybe you could provide just a little more background on the health care campaign.

Mr. YEAGER. I'm going to object on relevancy grounds. If you could explain why you're inquiring into the health care campaign.

Mr. WILSON. I actually haven't asked my question yet. I will explain, and that is simply that funds were raised, this is part of the fund-raising, and that's basically—I can't think of anything more actually.

Mr. YEAGER. You can ask about this particular contribution.

EXAMINATION BY MR. WILSON:

Question. I certainly won't ask about the content of health care proposals, but I just wanted to get a little more background, and to the extent that you can sort of provide a little bit of background.

When did the health care campaign at the DNC begin?

Answer. As far as I can remember, it was in the '94—year of 1994, but I don't know when there was a begin date and end date, whatever, because I wasn't involved in the machinations of that as well.

Question. Were people approached specifically about making contributions to a health care campaign?

Answer. I believe so, but I don't know specifically who did and who was solicited. I wasn't part of that—those discussions, and I wasn't aware—I was aware of a campaign, but I wasn't aware of what the specifics of it were.

Question. Just trying to get a little sense here whether people were requesting money to go into that, or whether people would contribute to the DNC and then their money would be put in a separate health care account.

Answer. That, I don't know about.

Question. Did you have any conversations with Mr. Trie about this particular contribution discussed in the memo?

Answer. Not that I can recall. I think most of this information is gleaned, articulated in my words, but gleaned from conversations had among staff or people dealing with the gala preparations and through secondhand information summarizing it. So John was aware of it, and I was being helpful in bringing stuff together, and whoever wanted to double-check on this or whatever was free to do so.

Question. Do you know who first approached Mr. Trie about making a contribution, if anybody approached Mr. Trie?

Answer. I don't.

Question. When you were having the conversations you just referred to, was there somebody among your colleagues who knew Mr. Trie and provided information to you that allowed you to put this entry into the memo?

Answer. I don't know if I talked to Terry or Richard Mays, and they provided that information. I don't even recall—it doesn't come to mind where I was standing with them or talking with them about that. I just don't recall who per se gave me this information.

Question. Another entry in this particular memo is a reference to a cancellation of a health care luncheon with senior administration officials.

Do you know whether Mr. Trie was scheduled to attend the health care luncheon referred to in this memo?

Answer. Other than the reference there, I don't have any specific knowledge, nor was I aware of the circumstances of what luncheon that's even referring to.

Question. If you could perhaps just provide a little explanation, there's a note at the bottom: "His table should be a 'B' table at minimum."

What does that mean?

Answer. I believe you would divide the hall into A, B, C colors, gold, silver, whatever. Since he was sitting at the President's table, he also had guests coming, and while that table didn't need to be an A table, it should maybe be in the middle of the room and not in the rafters.

Question. I was actually going to ask you about. There's handwritten notations on this document that says "President's table." Is this your handwriting?

Answer. I believe it is.

Question. Is the President's table and a B table the same thing?

Answer. That would be a triple A table. He himself would be recommended to sit there with other guests.

Question. Do you recall whether the handwritten notation came—do you recall when you entered the handwritten notation into this memo about President's table?

Answer. I don't.

Question. Do you recall any conversations between yourself and other people, or between any of your colleagues, that would have prompted you to put the handwritten notation "President's table" onto the memo?

Answer. No. It could have been just doodling. It's kind of repetitive to the content of the entry underneath Charlie.

Question. Actually, I don't want to belabor this too long, but my impression from reading this was that Mr. Trie was going to attend this event, and that at a minimum he should have a particular type of table, and it's almost in the nature of an upgrade here. He was upgraded from—he should be getting a certain type of B table to suddenly the President's table. So my questions are more directed at what changed the sense of the memo? I may be wrong. It seems to me that the sense of the memo is changed by the handwritten notation.

Answer. Let me clarify the impression. I think he was recommended to sit at the President's table, him as one individual. He had guests coming, 10, 15 guests, and that what table do we give them, which is the parenthetic notation, his table, or I should say the Charlie Trie table, which would be used to place his guests at would be a B table. So we're talking two different things, somewhat related, but not as connected or consecutive or an upgrade as you phrase it situation.

Question. Do you recall whether Mr. Trie did sit at the President's table in the '94 gala?

Answer. I believe he did, yes.

Question. Do you know why Mr. Trie was seated at the President's table?

Answer. I can only speculate, as I was only passing on information, and there it's a recommendation. Who makes all the final decisions I don't know. I can say from my standpoint is him being a strong supporter and a strong supporter at that given event was being recognized as a strong supporter at that particular event.

Question. Who made the final decisions on the seating at this particular event?

Answer. I do not know other than I would assume that the White House and people in the White House. But I don't know the individuals in the White House would take whatever recommendations came from us as a unit and would mull it over or decide if that was appropriate or what have you. But I don't know who.

Question. Do you know who else sat at the President's table for that event?

Answer. I have no recollection of that. No, I don't.

Question. Did you ever have any subsequent discussions with Mr. Trie about the 1994 gala?

Answer. I think he had requested a video that was shot like standard videos are at galas, shot, and asking if he could get a copy, and I'm not sure if I was able to get a copy of it or not.

Question. Do you know if he provided any feedback on whether he was pleased or not pleased with his seating?

Answer. I believe he was pleased with the whole thing. I don't recall any negative feedback coming from it.

Mr. WILSON. I'll mark this document Exhibit DM–4 and submit this for the record.

[Mercer Deposition Exhibit No. DM–4 was marked for identification.]

Mr. WILSON. I will provide the witness with a document that is marked F 0045837, it's a facsimile transmission from Daihatsu International Trading, Incorporated.

EXAMINATION BY MR. WILSON:

Question. Do you recall having any discussions about any of the individuals who are listed under the designations "Table 1" and "Table 2" in this fax transmission?

Answer. I remember or recall receiving this and submitting it as two tables under the Charlie Trie name. I don't remember talking about individuals on the particular list.

Question. Do you know who Jody Webb is?

Answer. Looking at this now, I believe Jody—and I think I saw some—it may have been in the Senate hearings or whatever in reference to Jody, and it clicked to me that he was an assistant of Mr. Trie's prior to a Martha Shoffner being an assistant to Mr. Trie.

Question. Do you recall ever meeting Mr. Webb?

Answer. I don't recall meeting him. I think I only had talked to him on the phone.

Question. Did you have any subsequent contacts with Mr. Trie about obtaining photographs from this particular event?

Answer. I may have, but I don't recall having those conversations.

EXAMINATION BY MR. WILSON:

Mr. WILSON. I'll mark this document Exhibit DM–5 and submit that for the record.

[Mercer Deposition Exhibit No. DM–5 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Between the date of the 1994 gala and August of 1994, do you remember whether you had any meetings with Mr. Trie?

Answer. I could have and probably did, but they don't stick out at me.

Question. Do you recall whether you had any contacts with Mr. Trie by telephone or any other?

Answer. I'm sure I did.

Question. Do you know whether you saw him socially at any time between the gala and August of 1994?

Answer. I have on one or two occasions had dinner with Charlie or drinks, and the time I told you that I was—I had visited his House for the opening of the Olympic ceremonies.

Question. Was that the 1996 summer Olympics?

Answer. Correct.

Mr. WILSON. I've given Mr. Mercer a fax transmission. It is two pages in length, and the first page is Bates marked F 0045404.

The second page of this document is a letter to the board of directors of 700 New Hampshire Avenue, NW. It's a letter from Mr. Mercer, and it's my characterization that it's a reference for Mr. Trie for an apartment.

EXAMINATION BY MR. WILSON:

Question. Did you draft this letter?

Answer. Yeah, I think I did draft it, with some language that they may have provided. I'm not sure, but, yes, I believe I drafted it.

Question. Do you recall whether they sent you, in anticipation of your drafting the letter, another draft of a letter like this?

Answer. I don't recall that, but there's a note about two drafts for Mr. Trie's reference. But I don't recall there being two drafts or there being any drafts. I know that I drafted a letter.

Question. Did Mr. Trie request that you provide a recommendation?

Answer. He and/or maybe Martha Shoffner may have asked or told me of the need for a reference letter and if I could provide one, and I agreed to.

Question. Had you ever met Martha Shoffner? Have you ever met Martha Shoffner?

Answer. I believe I have, yes.

Question. Do you recall when you first met Ms. Shoffner?

Answer. I don't.

Question. Do you know whether you met her prior to the 1994 gala?

Answer. I don't believe I did, and I don't believe I met her before I met Charlie. But that's what I recall.

Question. Do you recall when Mr. Trie—well, let me back up for a moment and ask you, how did Mr. Trie approach you about the recommendation letter, or his employee?

Answer. To the best of my recollection, and it's going off the top of my head, I believe it was in a phone conversation and sharing with me the need for reference letters in order for him to secure an apartment at the Watergate.

Question. Were you told whether anybody else would be providing a recommendation for him?

Answer. That I don't recall.

Question. Did you ask anybody else to provide a reference for Mr. Trie?

Answer. I may have suggested or—I may have suggested to Charlie, and I may have asked Richard Mays or Ernie Green or somebody that he knew already from Arkansas that I was working with as well, but I don't recall—I can't recall who it was and whether or not that actually occurred.

Question. Do you know whether any other individuals did provide recommendations for Mr. Trie?

Answer. I'm not sure if Richard did or Ernie or—I'm not sure. I think I may have seen a letter, but I can't remember if I have or not.

Question. Were you surprised that Mr. Trie was asking you for a recommendation for the apartment?

Answer. No, I wasn't.

Question. Based on, and this is my characterization, a fairly infrequent or infrequent contact or very few contacts, did you feel that you knew him well enough to provide a recommendation?

Answer. I'll say that I knew of his background sufficiently to communicate that he was somebody that we could trust because he gave us $100,000, he's from Arkansas, he has been a supporter of the Governor and the President, and that other people are associating with him, so I assume that that is somebody who, having those ties and those relationships, was a nice person, and I found that to be my experience in the interaction that I did have with him.

Question. When he made the request of you to provide a recommendation, did you make any inquiries about him?

Answer. I don't know if it was prompted by his request for this letter, but just as we are always doing in our business is finding out who is related to who, how did you meet him, or how did they get involved, or where are they from, all of that stuff just is part of the process, part of the business. It's not any particular focus, but you're constantly doing that day in and day out, and finding every day all kinds of new relations and history and what have you, but you don't have all sets of facts in front of you at any one point certain, and you guys know that as well as I do just in the fact that you're speaking to so many people trying to get that information.

Question. Did you know of any closer acquaintances of Mr. Trie's than yourself in Washington at the time who might have been asked to provide recommendations?

Answer. Can you repeat the question?

Question. Did you know of any closer acquaintances than yourself in Washington or in the Washington area who might have been asked to provide recommendations?

Answer. If you're asking was I told by Martha or Charlie who else made recommendations?

Question. No, no, do you know—did you know at the time whether Mr. Trie had any friends or acquaintances, closer acquaintances than yourself, in the Washington area?

Answer. Yes. I would think—I assume that the Arkansas band of people know each other and that he was part of the Arkansas crew. So anybody from Arkansas, I would assume—if I met somebody new from Arkansas, I'd ask them do they know Charlie Trie, do they know Richard Mays, do they know this person or that person, you know, that they have been working with for the last 8 to 12 years, who knows.

Question. Actually one of my last questions on this subject is that there did seem to be people around that knew Mr. Trie or might have known him for a period of time, and not to characterize you as a relative stranger, but you've probably known

him less time than others. Did you think it was odd that he was turning to people who he had not known for a long time to get a recommendation for this apartment?

Answer. That never dawned on me.

Question. Did you know at the time that Susan Levine provided a recommendation for Mr. Trie?

Answer. I did not know that. It is the first that I am knowing of it, or being informed of that.

Question. Did you have any discussions with Mr. Trie about his plans to move to Washington?

Answer. Other than his moving up here to further expand Daihatsu Corporation. I didn't discuss—I didn't know if he was getting out of the restaurant business. I didn't go into all kinds of details of what the nature, how he was setting things up, no.

Question. Did he explain to you what Daihatsu was?

Answer. In a nutshell, that it was an import/export, and maybe strategic planning on exporting, in that marrying businesses together.

Question. Did he tell you when Daihatsu was founded?

Answer. No, he didn't. Or at least I don't know when Daihatsu was founded.

Question. Do you recall having any conversations with Ms. Shoffner about Mr. Trie's move to Washington?

Answer. I don't recall specifically focused on the move to Washington, and I thought that he had been coming here pretty regularly in any event. I'm not even sure that he was living somewhere else before the Watergate. I don't recall any of that kind of conversation going on with Martha Shoffner.

Mr. WILSON. I'll mark this document Exhibit DM–6 for the record.

[Mercer Deposition Exhibit No. DM–6 was marked for identification.]

Mr. WILSON. I've given Mr. Mercer a document that's Bates Number DNC 1275756. It's a memorandum to Martha Shoffner from Mr. Mercer, dated August 22, 1994.

EXAMINATION BY MR. WILSON:

Question. Do you recall whether you drafted this memorandum?

Answer. I know it's a memorandum that I produced, yes.

Question. Do you remember whether you sent this memorandum to Ms. Shoffner?

Answer. I probably did, yes.

Question. Did Mr. Trie request that you draft this memo?

Answer. I think it was my initiative of having a meeting and wanting to follow up in my normal course of things, and that I drafted the memo so I could make sure we didn't leave things that needed addressing or issues that came up and putting it on paper and working with Martha to address them.

Question. The first sentence of the memo refers to a meeting with Mr. Trie.

Do you recall when you met with Mr. Trie?

Answer. I don't, but it's highly likely that we met maybe at the DNC or over coffee or over a drink or something. But I don't recall where the meeting was.

Question. Is the memo an accurate reflection of what was discussed at your meeting with Mr. Trie?

Answer. Based on the memo, that's what I would be—I would assume was discussed in the meeting, or referenced in the meeting.

Question. Do you know why Mr. Trie was requesting—in the second paragraph there's a reference to putting out a search for a tape that included Mr. Trie from the Presidential gala.

Answer. I think it's because he was seated at the table, and it would have been nice, just as a picture request, to have the video of the gala that he supported.

Question. Do you recall whether the tape was found?

Answer. I don't believe it was.

Question. Do you recall whether a tape was actually made at the gala?

Answer. I believe a tape was made at the gala.

Question. Were videotapes typically prepared for Presidential fund-raisers of that magnitude?

Answer. For galas I think they were. I don't know if they continued to be.

Question. The third item in the memo discusses a letter inviting Mr. Trie onto the finance board of directors, and you state that this request is being processed and that you are meeting with Mr. Terry McAuliffe to discuss this request.

What were the prerequisites for becoming a member of the finance board of directors?

Answer. I think it was raising $250,000, a collection of writing, raising, however getting to $250,000.

Question. Had you had discussions with Mr. Trie about raising that amount of money?

Answer. I presume that we did, yes.

Question. Do you recall whether he——

Answer. From the standpoint that he had already written a check for $100,000, again to whom I don't know he gave the check or whatever, but all our donors, they all talk to each other, they all socialize, they're at events together. One says, I'm on the finance board, and the other is just a trustee and wants to finds out how they become a finance board member. I say, these are the requirements, then I forward it to the person, Terry McAuliffe, who manages the finance board, and that's the process.

Question. The memo here, though, indicates that the request for the letter is forthcoming, which indicates based on what you've just said that there was an intention to invite Mr. Trie onto the finance board of directors. Is that a fair characterization?

Answer. Yes.

Question. What was Mr. McAuliffe's relationship to Mr. Trie?

Answer. I don't know beyond the fact that he knew Charlie Trie, and I'm sure knows him, but I don't know to what extent and to what degree.

Question. Did Mr. McAuliffe ever discuss Charlie Trie with you?

Answer. We may have had discussions about Charlie, but I don't recall the nature of them. I mean, I would assume, since I'm making reference to conversations, but I don't see it in front of me, having those.

Question. Do you recall whether Charlie Trie actually made the request of you to be a member of the finance board of directors?

Answer. I don't know if he made that request of me or if he was querying about it. I don't have a specific recollection of how the subject matter came up and if he was requesting of me to make the request, or whether or not he had spoken to Terry about it and he wanting me as a staff person to follow up and see that it gets done, them both being principals and not focused and what have you, and me just generally putting the pieces together so that what they talked about would be implemented.

Question. Do you recall whether there was a formal decision that would have put Mr. Trie on the finance board of directors?

Answer. I believe he became a finance board of directors member. How formal, informal—I mean, it's cut and dry; people who can raise that and agree to. There's some that don't, that take up space on the board, but others that do. Usually you take people's word that they're going to be supportive, they've demonstrated support, or they had supported it with another client 8 years ago and wish to be so now, or with the party, and you hope that they do.

Question. I think you've answered this question already, but just to reput it, you have indicated that the threshold was $250,000. Do you have any recollection of Mr. Trie indicating to you that he would write or raise an additional $150,000 beyond what he had already contributed?

Answer. I assume that that conversation went on, because, I mean, in August he also—I think he contributed in June, and then he also contributed in August to the Presidential birthday party. So he was on that track to doing just that. So I presume that those conversations had been had.

Question. Did you at the time have any concerns about inviting Mr. Trie onto the finance board of directors?

Answer. I had no concerns. Whether it was in a situation that here is a guy who wrote a $100,000 check, Arkansas ties and part of the family, if you will, or conversations that he and/or my finance chairman would have had and I'm just following up on that, it's not for me to have those concerns unless something was presented to me by Charlie, which nothing was, for me to be concerned to follow up the way I was either instructed to or believed that I should follow up on.

Question. Do you recall whether Mr. McAuliffe raised any concerns? And——

Answer. No, I don't.

Question. I'm not sure I established whether you spoke directly with Mr. McAuliffe about this, but did you speak with Mr. McAuliffe about this matter?

Answer. I don't recall specifically talking to Mr. McAuliffe about it, but I would assume we had some conversation, I just don't recall the specifics. And I don't recall there ever being concerns about Charlie Trie and his membership on the board.

Question. Could we go off the record please for one moment?

[Brief recess, 2:35 p.m. to 2:45 p.m.]

Mr. WILSON. Let's go back on the record.

EXAMINATION BY MR. WILSON:

Question. Referring again to the memorandum, the fourth item refers to a Commerce Department trade mission to China.

Do you recall whether Mr. Trie requested to be part of this trade mission?

Answer. I don't think he requested to be part of the trade mission, but I remember vaguely him telling me that he was going to be there at the time, and were there any activities that he could participate in. I believe then that I spoke with a Kathy Hoffman and let her know of his being there, and what he did there, I'm not sure, and what they included him in, I'm not sure as well.

Question. And who is Kathy Hoffman?

Answer. She was a special assistant to the Secretary of Commerce and is now deceased from the plane that went down in Croatia, or Bosnia.

Question. Is it your recollection, then, that Mr. Trie mentioned to you that he was going to be in China at a certain time, and then you contacted somebody at Commerce to find out whether anything was happening?

Answer. What would be the process or if anything could happen, right.

Question. Did you know that there was going to be a mission of any sort to China before Mr. Trie mentioned this?

Answer. I may have been aware of it, but I'm not sure who brought it to my attention.

Question. Had you had occasion before to speak with Ms. Hoffman?

Answer. I've known Ms. Hoffman—I knew Ms. Hoffman for probably 5 or 6 years prior to the administration.

Question. Had you made other inquires of—inquiries of her prior to the one we're discussing involving Mr. Trie?

Answer. Involving Mr. Trie in particular?

Question. Well, I'm thinking prior to the time that you called her up and mentioned the circumstances around Trie's visit to China, had you had other occasions to call her up and ask about Department of Commerce issues or trade issues?

Answer. I don't specifically remember trade issues or the specifics of any conversation, but I do know that we kept in touch as friends and we kept in touch—I had worked for Ron Brown and his candidacy to the chairmanship, so we were both close to the Secretary, so him being a former DNC finance—a former Chairman, I kept her abreast of his friends that he may not be able to have kept in touch with as Secretary, which were people that I had known over the years, briefing through her to the Secretary activities that he would be involved with from events to briefings or whatever that the Secretary may have been involved with regarding DNC business. On those issues, yes.

Question. Had you worked at the DNC when Mr. Brown was the chairman?

Answer. I worked for his election, and then I may have been there for several weeks once we won. That was prior to graduating from Principia College.

Question. Was that just as a—were you a paid employee at that time?

Answer. I was a paid campaign staffer, and I may have been switched over to DNC payroll for, I don't know, a couple of weeks. Then, I went to work for—then I went back to Principia and then to the Christian Science Monitor.

Question. Where did you first meet Mr. Brown?

Answer. As a little kid, when I was in New York, maybe at a convention in 1980 or even before then.

Question. And how did you come to meet Mr. Brown?

Answer. My mother was close with the African-American leadership of New York and we would go to functions and I would see Mr. Brown or Basil Patterson or Percy Sutton or Charlie Rangel or whomever.

Question. Do you recall whether you made any suggestions to Ms. Hoffman that Mr. Trie should be placed in the official delegation in the China trade mission?

Answer. I don't think such a request was made. It was simply that there are going to be activities and if there are, and it's appropriate with you guys, to let you know that Charlie will be there, and if there's a way for him to be involved, then you guys involve him if you feel fit to involve him.

Question. There is an indication here that Mr. Trie will receive notification of the mission's activities.

Do you know whether Mr. Trie did receive notification of what was going to be happening in the mission?

Answer. I presume he did, but I don't know for a fact that he did and who transmitted that information.

Question. Is it fair to say you did not transmit to him any information about the trade mission?

Answer. That's correct. I don't believe I received the Secretary's schedule and then faxed it off to him. I don't believe that happened.

Question. Do you recall whether Ms. Hoffman told you that she would provide information directly to Mr. Trie?

Answer. I don't recall if that was shared with me or not.

Question. Do you know whether Mr. Trie actually did participate in any of the activities of the trade mission?

Answer. I don't know for a fact what he participated in during this period or that trade mission.

Question. Do you know if he attended any events at all?

Answer. I believe he maybe attended events, but I don't know what events, and if, in fact, for sure that he actually attended. I assume that there was a connection, and something happened because I don't recall there being any chagrin over, oh, gosh, that couldn't happen or this didn't happen or whatever, but then, again, that doesn't say that things didn't happen. I don't remember any follow-up or additional steps taken.

Question. Did he ever have a discussion with you where he mentioned what he did when he was in China at this time?

Answer. Not that I can recall.

Question. You also state in this memo that you requested background documents regarding Mr. Trie.

Why did you request this information?

Answer. We pretty much had bios as a matter of course, not necessarily procedure, but bios on most of our trustees or major supporters, and they may even be kept with the business council, in that when we're preparing event briefing memos, we write a one or two-line sentence and we pull that from the bios, so it's just good to have on file so that from event to event that they may participate in, you don't have to constantly recall what they're involved in, what their history is or what have you. So I was requesting that so it would make it easier for us to work with Charlie, with him being the trustee.

Question. Did Ms. Hoffman request any information about Mr. Trie?

Answer. I don't recall her requesting. I think that Mr. Trie was known by those at Commerce, but I don't know who knew him or didn't know him or what his relationship was, and only after he was appointed to the Commerce board did I know that he had a formal relationship with Commerce. But I assume that he had informal relationships there to begin with.

Question. On what do you base that assumption?

Answer. One, because he was appointed to a board and commission at Commerce; two, he was from Arkansas and pretty much people generally had an idea of who FOBs were, and I just seem to recall that he—it wasn't like Charlie didn't have a facility for moving around or being involved in our activities. As I met him, he was already involved. So I assumed that he knew his way around.

Question. Do you know Jude Kearney?

Answer. I do.

Question. Do you know whether Mr. Trie knew Mr. Kearney?

Answer. I do in retrospect know that he had a relationship with him from Arkansas, but I don't know what the relationship was here in Washington.

Question. How did you learn that?

Answer. Either from one or the other.

Question. From either Mr. Trie told you or Mr. Kearney told you?

Answer. Correct.

Question. The memo also indicates that Mr. Trie informed you of business interests in Macau.

Do you recall what Mr. Trie told you about business interests in Macau?

Answer. That there was a development he and a Mr. Wu were working on and that it was a development of beach front property for hotels and whatever else properties, property development, and they had a prospectus, I believe, that I was given or shown that laid out what they were involved in.

Question. Do you recall whether Mr. Trie did send you information following the request that you have indicated in the memo?

Answer. Send me a bio?

Question. Yes, do you recall whether he did?

Answer. Yes, he did.

Question. Aside from using it for the purposes you described, incorporating it into background information, do you recall whether you did anything else with that information? Did you send it to anybody else?

Answer. I don't believe I did, but I could have.

Question. Do you recall at the time whether Mr. Trie said anything more about Mr. Wu?

Answer. No, I don't, and I have met Mr. Wu twice or maybe three times at an event or two. Mr. Wu, I don't believe, spoke English and it was just a perfunctory nod and hello when we did meet. So I didn't have any interface with Mr. Wu.

Question. Did you get any biographical information on Mr. Wu at the same time Mr. Trie sent information to you?

Answer. No, I didn't. Not that I recall or have seen.

Question. The last thing on this memo that's mentioned is that there is a request for a copy of Mr. Trie's schedule so that meetings can be scheduled upon his return.

What meetings were—did you envision would be scheduled on his return from China?

Answer. I don't have a recollection of the meetings, and if in fact there were any meetings scheduled.

Question. When you were speaking with Mr. Trie prior to the memo being prepared, do you recall discussing subjects that would require you to get back together and have meetings?

Answer. His schedule—he spent probably half the year traveling back and forth. He would land in town and he would ask me what events were taking place, or we would set up a meeting with the chairman, but I don't know from year to year just how that schedule worked. It was pretty much an ad hoc and on and off again.

Question. My understanding is this is perhaps the first time you actually sat down with Mr. Trie and had a, what could be characterized as a business meeting. I don't want to improperly characterize it, but I think we've established you had met him at a fund-raiser, maybe there were a couple of contacts and phone calls.

Did Mr. Trie have any other issues that he discussed with you at that time that are not embodied in the memorandum we have just reviewed?

Answer. Not at this time, no. That I can recall, no.

Question. Do you know whether, and I ask this in a contemporaneous manner, did you know at the time of the meeting, within a few weeks either side of it, whether anybody at the DNC had done any research as to Mr. Trie's background or history for the purposes of establishing whether it was appropriate to put him on the finance board of directors or accept contributions?

Answer. I'm not aware of that.

Question. At the time, the time being August 22, 1994, the date of this memo and the weeks before and after it, what was your understanding as to where Mr. Trie had obtained his money?

Answer. Like any other donor, I don't know where they get their money, other than their business, and to go further, I did not ask Charlie Trie or any other donor where, and you can imagine if I were to ask you if you were to pay me something where you got your money from, I would never ask a person that question. I wouldn't even—there would be other signals to suggest that somebody was getting it other places before I asked where they got their money if I would ask at all.

Question. Did you ever have any conversations with Mr. Trie's finances with anybody at the White House?

Answer. Never.

Mr. WILSON. I'll mark this document Exhibit DM–7 and submit that for the record.

[Mercer Deposition Exhibit No. DM–7 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. I give the witness a document which is marked DNC 1277750. It is a fax transmission from Daihatsu International Trading Corporation.

The first page is a letter from Jody Webb to Mr. Mercer.

For the record's sake, I would note that the fax transmission indicates it was a five-page document and I've only provided three pages to Mr. Mercer and that is because we have only received three pages. The three pages that have been furnished are marked serially in the Bates Numbers. There is no break in the Bates Numbers, but we do only have the three pages.

Mr. REED. Is the date on this fax at the top August 24 or some other date? If you can tell?

Mr. WILSON. I would represent that it is August 24. The copies we receive are often poor. I don't think I have a better copy than anybody else, but I believe it is August 24, 1994.

Mr. REED. The reason I ask, it does appear to be August 24. The first line of the letter is, "Thank you for your fax summary dated August 28."

Mr. WILSON. That mystery goes right in with the additional pages that have not been produced.

Mr. REED. It could be they used the same fax legend. Sometimes you have the little slips of paper.

Mr. WILSON. Right.

Mr. REED. We are at 3:02. If you think we can get through this document in a couple of minutes, then we can break.

Mr. WILSON. I was going to ask a couple of questions about this document.

Mr. REED. Not to cut it off, but we can always continue on Monday.

EXAMINATION BY MR. WILSON:

Question. After that, it would be a perfect time to break. Had you met Mr. Wu prior to August of 1994?

Answer. I don't know if I met him at the gala or not.

Question. What was your understanding of his relationship with Mr. Trie?

Answer. That they were associates, business associates.

Question. Did you have any knowledge at the time of what Mr. Wu's business involvements encompassed?

Answer. Other than the mention of the Macau development, I didn't know who or what he did beyond that.

Question. The letter here states that they had received notice that it would not be possible for Trie to host a reception for the trade mission. Do you recall communicating that information to Mr. Webb?

Answer. I don't believe I did. It reads we have received notice. I think it would have referred to me giving that notice if I had given it, but I don't believe I gave them that notice.

Question. Do you have any knowledge of how that might have been communicated?

Answer. I don't.

Question. The letter also requests further information regarding the trade mission. Did you send any further information?

Answer. I don't believe I did. I don't recall having any information on that.

Question. Were there any subsequent contacts between yourself and any Department of Commerce officials?

Answer. There could have been follow-up with Kathy within the day or two or getting a number where they could have contacted Charlie or something like that, but I don't recall specifically.

Mr. WILSON. For me, this is an appropriate time to cut things off. Does anybody have a comment?

Mr. YEAGER. No, that is fine.

Mr. REED. That is fine. We will come back at 1 o'clock on Monday.

Mr. WILSON. Come back at 1 o'clock on Monday.

[Whereupon, at 3:05 p.m., the deposition was recessed, to reconvene Monday, August 25, 1997, at 1:00 p.m.]

[The exhibits referred to follow:]

MEMORANDUM

TO: David Mercer
FR: Fran Wakem
RE: Truman Arnold's Request for Additional Information on Servicing
DT: March 13, 1995

Servicing Members - What Would A Point Person Do?

One of the benefits offered to BLF members is the ability to use our council to help them set up meetings with the administration, the agencies, and Members of Congress.

It would be very beneficial for the DNC to have a point person either here in the office or at the White House who could facilitate these meetings. Often times an agency is very unwilling to help a "money person" get a meeting with the cabinet member himself or herself or that person's chief of staff because they are afraid of being scrutinized by the press. This causes a big problem for us.

Some of the problems that we run into presently when trying to set up meetings are:

1. Too many requests coming from too many different people here at the DNC. It would be helpful if all requests went through one person.

2. There are always a lot of requests in with varying cut off dates. The person who would be the so called point person would have to be aware of all the different deadlines and be sure to stay on top of the requests. There is nothing more embarrassing than getting back to someone after the event has passed. Also, you have to stay on top of the schedulers - more often than not, they do not get back to you in a timely fashion.

3. It would make the most sense if requests could be made from someone at the White House whose only job is to take care of DNC donors. I know that a scheduler in a Senate office would pay more attention to a notice coming out of Public Liaison or Business Liaison than the DNC.

EXHIBIT
DM-1

Aside meeting, other requests that often come up from BLF members are:

- Private tours
- Pictures signed
- Boards and Commissions requests
- Members wishing to be included on Cabinet Secretary and Presidential Delegations overseas

LIST PROBLEMS

I am sure you know that we have had numerous problems with the Social Secretary's office. One thing in particular that would be helpful would be if they could provide us with lists of people who are invited to White House events. As it stands now, when an event comes up, we submit a list of names to be invited. However, we don't know who off that list was ever actually invited or not. This makes it very hard for us to follow up with our people who were invited and "get credit" for going to bat for them. It's a small thing to ask for some reason has been very difficult getting an accurate reason why we cannot receive a list after invites have been mailed.

If we had apoint person in the White House, that person would be able to report back to us who was taken care of and if there is a problem (i.e. - someone important was not on a list they should have been on), that person could solve it internally.

MATERIALS

We have recently been approved for funding for our BLF brochure. It took six months for this to happen. One thing that is helpful in getting our Vice Chairs etc. ready to help us fundraise and bring in new members is if they can have their own stationary and business cards. Once again, this seems like a small thing to ask, but it has been next to impossible to get the DNC to sign off on some of the vital materials we need to do our job better.

I hope this information is helpful. Please call me at 7136 if you have any questions.

CC Sullivan

Memorandum

TO: Ari Swiller
Richard Sullivan

FR: Eric Sildon
Jay Dunn

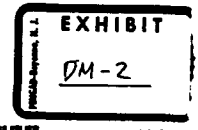
RE: Nominees to the President's Export Council

DT: January 24, 1994

The Commerce Department has asked that DNC Finance submit recommendations for nominees to the President's Export Council by the end of today, Monday, January 24.

They are currently seeking minorities and women to serve. The nominees must be CEOs of companies dealing in export businesses.

No WLF to my knowledge are in Export business —



Mary Ann	3/21			plz call 3/22 and make call for Friday.
Elaine Schuster	3/22 10:00	[redacted]		needs to talk to you today.
Brian Barreto	3/22 10:05	[redacted]		from CA Dem. Party.
Hubert Riley	3/22	[redacted]		plz. call back.
Tony from Cong. Pat Kenndey	3/22	[redacted]		plz. call back.
Debbie Mohile	3/22	[redacted]		you need to respond to her email
Barry Edwards	3/22	[redacted]		plz call back.
Jonathan Mantz	3/22	[redacted]		plz. call back.
Christine Scullian	3/22	[redacted]		plz. call back.
Peter Campbell	3/22	[redacted]		plz call back.
Mercer	3/22			what about India w/First Lady to advise supporters how they can be involved.
Tom Dwyer	3/22			plz call today
Sara Stroup	3/22	[redacted]		plz call back.
Debbie (Truman's office)	3/22	[redacted]		returned your call.
Matt Gorman	3/22	[redacted]		plz call back.
Michael Powell	3/22	[redacted]		plz call back.

EXHIBIT
DM-3


DNC 3233338

MEMORANDUM

To: John O'Hanlon

Fr: David Mercer

Dt: June 18, 1994

Re: VIP requests

The following requests have been made by our writers/raisers. They were indicated on the commitment forms I filled out, but I wanted to make sure you were aware of them.

Lee Howley

Mark Middleton (Lee has also called to invite him; no confirmation yet.)

Matt Gorman, Business Liaison Director, Department of Treasury (Lee also invited him; no confirmation yet.) CONFIRM MACK

Bob & Sheila Johnson

I've impressed upon them the need to get their guest list in. Michelle Curtis, Bob's assistant promised to get them to me this Sunday. They have two 25k tables, so I'm sure they should be assigned a couple of VIPs. We'll have to reconcile their request with our first-cut assignments. LIST PENDING w/ MFUME

Yah Lin Trie

Trie was promised a seat at the President's table in a meeting between Terry and Richard Mays. He gave 100k that I believe went to healthcare. Due to a cancellation of a healthcare luncheon with senior administration officials he was also promised a table at the dinner. (Note:His table should be a "B" table at minimum) PRESIDENT'S TABLE

Richard Mays/James Simpkin

They brought in Peter Lehrer of Lehrer McGovern Bovis and a major Mexican delegation of developers and businessmen heavily involved in NAFTA. They request VIPs in the following sectors:NAFTA, telecommunications, finance/investments, construction/development. HAVE LOTTE / CLINTON /

Carol Thompson Cole

She was interested in a Congressional Black Caucus member, perhaps Cong. Mfume. She will pursue directly if we don't assign. Can we also place a White House appointee here; Carol is very good to us having contributed 15k for this event and committed another 15k for August event. CAN MFUME VERONICA BIGGINS

Janice Griffin

EXHIBIT
DM-4

F 0045848

DAIHATSU

INTERNATIONAL TRADING INC.

FACSIMILE TRANSMISSION

To: DNC

Date: June 21, 1994

Atten: MR. David Mercer

Fax no.: (202) 863-8140

From: Charlie Trie/Jody Webb

No of pages 1

Subject:

Dear Mr. Mercer:

Charlie asked me to FAX you his preference for seating at the Dinner tomorrow. Also, he wanted to ask if there is any way you could arrange for Table 1 to be as close to the President's table as possible.

Thank you for your time and consideration.

Sincerely,

Jody Webb

Table 1

Mr. Ng Lap Seng
Mrs. Pun Nun Ho
Ms. Maria Han Xiao
Mr. Cheung Yiu Mo
Mr. J.J. Neto Valente
Mrs. C.G.J. Neto Valente
Mr. Jude Kearney
Mrs. Anita Middleton
Mr. Lorin Fleming
Mrs. Norma Fleming

Table 2

Ms. Ching CHing Huang
Dr. Franklin D. Hwang
Mr. Kenneth Richer
Mr. WInfred Wu
Mrs. Christane Tan
Mr. Richard Hines
Mrs. Patricia Hines
Ms. Jennifer Peng
Dai Lin Outlaw
~~DNC Representative for Asia~~
VITH BENAVIDES

EXHIBIT
DM-5

F 0045837

523 S. Louisiana, Ste. 150 • Little Rock, Arkansas 72201 • (501) 370-9522 • FAX# (501) 376-8383
Room 2905-2907 Block B, Jintong Building No. 10, Aiguo Road • Shenzhen City, Guangdong PRChina
(755) 5528-575 • FAX # (755) 5525-453

DAIHATSU
TERNATIONAL TRADING, INC.
A OFFICE
Lafayette Building., Suite L150
523 South Louisiana, Little Rock, AR 72201
HONG KONG OFFICE
8 Floor, Flat A 51 Patterson Street
Causeway Bay, H.K.
CHINA OFFICE
China Overseas Trade Shenzhen Co.
Room 2905-2907 Block B
Jinrong Bldg. No. 10, Aigue Road
Shenzhen City, Guangdong Province
P.R. China

FAX MESSAGE

For Incomplete Transmission, Please Call (501) 370-9522.
FAX Number: 376-8989

DATE: 8-17-94

TO: Mr. David Mercer

ATTN:

FAX Number 202-863-8140

RE: Reference Letter

Pages: 3

Dear Mr. Mercer:

Enclosed are the two drafts for Mr. Trie's reference letter. Please mail the final reference letter to Ms. Carol Harris from Michael Sullivan, Inc. Her address is 1662 33rd Street, N.W., Washington, D.C. 20007. Her telephone number is [redacted]

If you have any questions, please feel free to call me.

Thank you,

Jennifer Russell

EXHIBIT
DM-6

F 0045404

David L. Mercer
308 Eleventh Street, NE
Washington, D.C. 20002
(202) 544-0471

August 18, 1994

Board of Directors
700 New Hampshire Avenue, NW
Washington, DC 20037

Dear Board of Directors:

I am writing to provide a personal reference for Mr. Yah Lin "Charlie" Trie. I have known Charlie through his association with the Democratic National Committee. In my opinion, I find Mr. Trie to be a very admirable person with a strong moral character. In my association, I have found him to be fair in his personal and business activities and I am proud to call him a friend.

It is then without hesitation that I give Mr. Trie my complete confidence and personal recommendation. If you have any questions, or if I can provide additional information, please feel free to contact me at either the phone number above or at 202/863-7105.

Thank you for your attention in this matter.

Sincerely,

David L. Mercer

MEMORANDUM

To: Martha Shoffner

Fr: David L. Mercer

Dt: August 22, 1994

Re: Follow up to meeting with Charlie Trie

This is to follow up my meeting with Mr. Trie before he left for Beijing. Several issues were discussed. Below is a status report and suggestions for how we might handle the matters outlined below.

References for DC residence: Attached is letter I wrote on Mr. Trie's behalf and forwarded to the appropriate party. Mr. Mays is sending his letter out on August 23, 1994.

Video Tape of Presidential Gala: I have put a search out for the tape that included Mr. Trie. To date we have not been able to locate it. We will continue the search.

DNC Finance Committee Board of Directors: The request for the letter inviting Mr. Trie to serve on the finance board is forthcoming. The request has been made and is being processed. I meet with Mr. Terry McAuliffe on August 24, 1994 to close the matter and secure the letter.

Mission to China: The Commerce Department begins its mission to China on August 27, 1994. I received word that arrangements for receptions and other affairs were already handled through other sources. However, Mr. Trie will receive notification of the mission's activities holding open the possibility of participating in some of the events.

Personal Bio and Company Profile: I requested this information from Mr. Trie. If possible, please send me a package that includes bios, company profile or other pertinent and noteworthy documents.

Macau: Mr. Trie informed of business interests in Maucau. Again, please forward prospectus, company profiles and bios of the individuals participating in the ventures.

Schedule: To prepare for meetings upon Mr. Trie's return, please forward a copy of his schedule for when he will be in Washington, DC. We can then plan for his visit and make the necessary arrangements.

EXHIBIT
DM-7

Confidential Information

[The deposition of David Mercer—Volume 2 follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: DAVID MERCER—VOLUME 2

TUESDAY, AUGUST 26, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 10:18 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: James C. Wilson, Senior Investigative Counsel; David A. Kass, Investigative Counsel; and Michael J. Yeager, Minority Counsel.

For MR. MERCER:

STANLEY REED, ESQ.
LAURI E. CLEARY, ESQ.
MELANIE KELLER, ESQ.
Law Offices of Lerch Early & Brewer Chartered
Suite 380, 3 Bethesda Metro Center,
Bethesda, Maryland 20814-5367

Mr. WILSON. This is a continuation of last Thursday's deposition.
Mr. Mercer, you are still under oath. Do you understand that?
The WITNESS. I do.
Mr. WILSON. When last we were together, we were discussing a document, which was marked Exhibit DM–8, and I submit that for the record.
[Mercer Deposition Exhibit No. DM–8 was marked for identification.]
Mr. WILSON. We were discussing Mr. Charlie Trie, and I'll continue on with some questions about Charlie Trie.

EXAMINATION BY MR. WILSON:

Question. Mr. Mercer, do you know whether Mr. Trie was invited onto the finance board of directors at the DNC?
Answer. I believe a letter went out to that effect.
Question. Do you know when he became part of the board of directors?
Answer. Not that I can recall, no.
Question. Do you remember the year?
Answer. No, I don't.
Question. Approximately how many members did the finance board of directors have?
Answer. In the range of 100 or more.
Question. And what were the requirements to be considered part of the finance board of directors?
Answer. As I stated earlier on the record several times, it was raising $250,000 or giving and raising or a combination of.
Question. Do you recall what events you invited Mr. Trie to in 1994?
Answer. Not specifically, no.
Question. Do you have a general recollection of any fund-raisers you invited him to attend?
Answer. Well, I don't—it is presuming that I invited him. We sent out invitations to our people. I believe he participated in the 1994 birthday party in August and the galas that we've discussed earlier.
Question. Were videos made of the annual DNC galas?
Answer. I believe that question has been asked also on the record, and I don't know if it was a policy. I believe a video or two have been made of galas, but I don't know it as a policy that—that videos were made of events or galas.
Question. Did you ever receive requests for copies of videotapes that might have been made at the galas?
Answer. I did receive one of Charlie Trie which we discussed last week.
Question. And did you obtain a video for him?
Answer. I don't believe we did, no.
Question. Do you know whether you requested a video for him?

Answer. I may have requested from the video—the guy that maintains our videos, but I don't think that they had a copy of it.

Question. Who was the person that maintained videos at DNC?

Answer. I'm not sure. I can get that name for you or you can ask anybody at the DNC who maintains our videos.

Question. Was there an office that maintained records at the DNC—records such as videos or invitations—past invitations?

Answer. There wasn't an office that maintained invitations. There was an office of somebody who maintained videotapes.

Question. What office was that?

Answer. A media office. I'm not sure exactly what the name of the office is.

Question. Apart from the video of the 1994 gala that we were just discussing, do you recall obtaining video tapes for anybody other than Mr. Trie at any time during your time at the DNC?

Answer. Not that I recall.

Question. Do you recall whether a professional photographer was hired to take the videotapes?

Answer. We had a photographer taking pictures. I don't know if we had a photographer doing the videotape.

Question. Did you work on the 1994 presidential birthday fund-raiser?

Answer. Yes, I did.

Question. Did you solicit a contribution from Mr. Trie in conjunction with the 1994 presidential birthday fund-raiser?

Answer. To the best of my recollection, I probably did; but I'm not altogether sure.

Question. I've provided the witness with a document which is Bates marked DNC 3078821. It's dated 12/3/96 in the top left-hand corner; and it's titled DNC Finance Executive Summary; and it lists, among other things, a possible contribution from August 9, 1994, for something that is titled BC Voter Outreach Dinner; and the fund-raiser is listed as Mr. Mercer.

Do you recall asking Mr. Trie for a $20,000 contribution?

Answer. I don't specifically recall asking him for the contribution, no.

Question. Considering the 1994 presidential birthday fund-raiser, do you recall if Mr. Trie asked for any special treatment or seating at that event?

Answer. I don't recall him asking for specific arrangements; but I would assume that, based on the level of giving or what one's supporting status was, that arrangements would accrue to the person to their giving level.

Question. Do you know whether Mr. Trie brought any guests to this—first of all, do you know whether Mr. Trie attended this event?

Answer. I believe he did attend the event.

Question. Do you know if he brought any guests to this event?

Answer. I don't have specific recollection of whether or not he did. I would assume he did, but I don't know for a fact that he did.

Question. Do you recall whether he brought an individual named Ng Lap Seng, also known as Mr. Wu, to the 1994 presidential birthday fund-raiser?

Answer. It's possible, but I don't recall Mr. Wu being there.

Mr. WILSON. This exhibit is marked DM–9 and submitted for the record.

[Mercer Deposition Exhibit No. DM–9 was marked for identification.]

Mr. WILSON. I've given the witness a document a number of pages long. The first page of this document is marked DNC 1592550, and it's titled: DNC Presidential Birthday Celebration, Sumner Wells Estate, Fort Washington, Maryland, August 2nd 1994.

EXAMINATION BY MR. WILSON:

Question. Did you prepare this list of attendees?

Answer. It looks like something I would have prepared. I'm not sure if it came from my documents or not.

Question. Page 2 of this document indicates that—or at least it states next to Mr. Trie's name, FOB/Managing Trustee. What does FOB mean?

Answer. FOB is a term that, broken out, means Friend of Bill.

Question. Was there a list of individuals who were categorized by the DNC as FOB?

Answer. Not that I am aware of. A physical list that listed all FOBs? No.

Question. What does this—what does this term mean, aside from the literal designation, Friend of Bill? Does it have a particular significance in the DNC?

Answer. Not that I'm aware of, except for the association and leads to Arkansas and the Clintons.

Question. How were you aware—backing up. Were you aware at the time of this—the preparation of this memorandum in August of 1994 that Mr. Trie was a Friend of Bill?

Answer. I presume I was, especially if I prepared the document and listed him as an FOB.

Question. And how did you—how did you know that?

Answer. I don't recall. I believe it was general knowledge, and I don't have any specific recollection of somebody telling me or how I picked it up, whether from him or others or——

Question. Prior to the preparation of this document—or at least prior to this date, August 2nd, 1994—had you ever seen Mr. Trie conversing with President Clinton?

Answer. No, I had not.

Question. Had you ever seen Mr. Trie in the company of President Clinton?

Answer. No. I don't recall even during the '94 gala whether I even saw Mr. Trie sitting with President Clinton. I can't say that I did.

Mr. WILSON. This document's been marked exhibit DM–10 and submitted for the record.

[Mercer Deposition Exhibit No. DM–10 was marked for identification.]

Mr. WILSON. I've provided the witness a document which is numbered DNC 0896231, and it is—appears to be a list. It's titled: Presidential Birthday Celebration, August 2nd, 1994; and it states at the top, this is Chairman David Wilhelm's table.

EXAMINATION BY MR. WILSON:

Question. Do you recall whether Mr. Trie sat at Chairman Wilhelm's table at this fund-raiser?

Answer. No, I do not.

Question. Underneath Mr. Trie's name in brackets is the name Charlie Chang. Do you know an individual named Charlie Chang?

Answer. I believe I met Charlie Chang once, and if my memory serves me he is an owner of a restaurant or restaurants in the tri-State area.

Question. When did you meet Mr. Chang?

Answer. It could have been at this event. It could have—I'm not sure when I met him.

Question. Do you know whether Mr. Chang attended other DNC events with Mr. Trie?

Answer. To the best of my recollection, I don't recall him being in other events, but I can't be sure of that.

Mr. WILSON. This document is marked exhibit DM–11 and submitted for the record.

[Mercer Deposition Exhibit No. DM–11 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know a Mr. Ernest Green?

Answer. Yes, I do.

Question. When did you first meet Mr. Green?

Answer. Probably in 1993 or it could have been in the '92 election, but I'm not sure.

Question. Do you have a recollection as to where you first met Mr. Green?

Answer. No, I do not.

Question. Do you know an individual named Jude Kearney?

Answer. I believe that last week I stated that I did know Mr. Kearney.

Question. Do you recall when you first met Mr. Kearney?

Answer. No, I do not.

Question. Do you know whether you have ever attended any DNC events with Mr. Kearney?

Mr. REED. Pardon me. Was he present at any DNC events with Mr. Kearney or did he go with Mr. Kearney?

EXAMINATION BY MR. WILSON:

Question. Whether you were present with Mr. Kearney at any DNC events?

Answer. It's possible, but I don't recall any specific occasion when we were at DNC events together.

Question. Do you recall whether you attended a breakfast with Mr. Green, Mr. Kearney, Charlie Trie and Ng Lap Seng at the Hay-Adams Hotel in October of 1994?

Mr. REED. Is that Kearney, Green, Mr. Wu?

EXAMINATION BY MR. WILSON:

Question. Charlie Trie and Mr. Wu at the Hay-Adams in October of 1994?

Answer. I don't believe I did, but it is quite possible, and it's the first I'm hearing of it.

Question. Do you have any recollection of attending any non-DNC events with Mr. Green, Mr. Carney and Mr. Trie in attendance at the same time?

Mr. REED. Just for clarification, what do you mean by "non-DNC events"?

Mr. WILSON. Any event that did not have a DNC sponsorship, a nonfund-raiser event.

The WITNESS. Not that I can recall out of the blue, no.

EXAMINATION BY MR. WILSON:

Question. Do you recall whether you organized a breakfast or any event for just Mr. Kearney Mr. Trie and Mr. Wu?

Answer. No, I don't.

Question. Do you know Allen Weinstein?

Answer. Yes, I do.

Question. Who is Mr. Weinstein?

Answer. I believe he's the chair or director of the Center for Democracy that deals with Russia, China, on economic development issues and other things, that has on its board everybody from Newt Gingrich to senators and whomever else.

Question. Do you know an individual named Nancy Jacobson?

Answer. Yes, I do.

Question. And who is Nancy Jacobson?

Answer. She is a former DNC employee.

Question. Do you know what her current occupation is?

Answer. I believe she's a consultant.

Question. Is Ms. Jacobson associated with the Center for Democracy?

Answer. I believe—I don't know what that association is. I know she knows Allen, but I don't know what her association is.

Question. Do you know the tax status of the Center for Democracy?

Answer. No, I do not.

Mr. WILSON. I've provided the witness a document which is marked DNC 1588002. It is a memorandum to Allen Weinstein and Nancy Jacobson from David Mercer dated March 20, 1995.

If you could take a moment just to review this.

EXAMINATION BY MR. WILSON:

Question. This document states that attached is a check for $10,000 from Charlie Trie to the Center for Democracy. Did you request Mr. Trie to make this contribution?

Answer. I believe I set up a meeting with him and Allen Weinstein to talk about the activities and the goals of the Center for Democracy; and, subsequently, Charlie made a contribution of $10,000 to the organization.

Question. Why did you set up this meeting?

Answer. Because I thought—one, Nancy Jacobson had brought it to my attention; and, secondly, I thought that Charlie and Mr. Weinstein would have mutual interests for them to discuss and for them to take it from there.

Question. Had Mr. Weinstein ever mentioned the Center for Democracy to you prior to your setting up this meeting?

Answer. We may have had a discussion subsequent to my discussion with Nancy Jacobson, but—and preceding the meeting.

Question. Do you recall whether in conversations prior to the meeting you have described whether you discussed the activities of the Center for Democracy with Mr. Trie?

Answer. I believe I probably did discuss the activities with Mr. Trie in a summary fashion to brief him on the nature of the meeting, but I don't recall the specifics of the discussion.

Question. Do you recall whether you solicited any other contributions for the Center for Democracy?

Answer. I don't believe—I may have, but I don't know—I don't believe anybody else had actually made a contribution to the Center.

Question. In the memorandum we are examining now it states, I trust you will keep Charlie abreast of the Center's events and functions.

Do you know whether the Center did continue to keep Mr. Trie informed of the Center's events and functions?

Answer. I am not aware of whether they did or not.

Question. Did you ever attend any Center for Democracy events?

Answer. I don't believe I have, no.

Question. Do you recall when the meeting between Mr. Trie and Mr. Weinstein took place?

Answer. Do I remember when?

Question. Correct.

Answer. I would assume it's in the time span of around March 20th, 1995, but I'm not altogether sure.

Question. Do you know if Mr. Trie attended any events that were organized or sponsored by the Center for Democracy?

Answer. I don't know that.

Mr. WILSON. I'll mark this document exhibit DM–12 for the record.

[Mercer Deposition Exhibit No. DM–12 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you set up a meeting between Charlie Trie, Winston Wang and Chairman Fowler in June of 1995?

Answer. I probably could have or did, but I don't have a specific recollection of it.

Mr. WILSON. I've given the witness a document which has been marked F 0017611, titled: Meeting with Charlie Trie, President of Daihatsun International Trading, and Winston Wang, President of Formosa Plastics Corporation.

This document has three pages as submitted or appears that page 1 and 2 are copies of each other, although they are Bates marked differently, and the third page is a briefing memorandum for Chairman Fowler.

EXAMINATION BY MR. WILSON:

Question. Do you know whether you prepared this document?

Answer. I did not prepare the first two pages. I could have prepared, but I'm not altogether sure, the third page. But I don't—actually, I don't—I may have on the third page. I'm not sure, though.

Question. Have you ever met Mr. Winston Wang?

Answer. Yes, I have.

Question. And where did you first meet Mr. Wang?

Answer. I believe it was at the DNC, outside the DNC, you know, outside the building, before he came in is when I believe I met him.

Question. Was this at roughly the same time as the meeting described between Mr. Trie and Mr. Wang and Chairman Fowler?

Answer. I would assume it was, but I don't have, you know, the sequence of events in my mind.

Question. Had you met Mr. Wang at any time before this meeting between Charlie Trie, Mr. Wang and Chairman Fowler was suggested or envisioned?

Answer. I may have seen him prior to. I have a vague recollection of seeing him before he went to a White House coffee.

Question. The third page of the memorandum that we are reviewing contains some background information and a one-sentence purpose section. Is this information that you recall knowing in advance of the meeting between Chairman Fowler, Charlie Trie and Winston Wang?

Answer. It seems accurate information from what I understood Winston Wang's summary background to be.

Question. Do you know where this information was obtained?

Answer. I don't know if it was obtained through Charlie or over the phone. I'm not sure.

Question. Do you recall having had any telephone conversations with Mr. Wang prior to the meeting discussed in this memorandum?

Answer. I don't believe I did.

Question. Do you recall having telephone conversations with Mr. Trie about Mr. Wang prior to the meeting envisioned in this memorandum?

Answer. I don't recall specifically having conversations, but I'm sure we did as we were introduced to Mr. Wang through Charlie Trie.

Question. Did you request Mr. Wang make a contribution to the DNC?

Answer. I don't think that I communicated with Mr. Wang regarding contributions.

Question. Do you know who invited Mr. Wang to the presidential coffee that is referred to on the first page of the three pages I've given you?

Answer. I believe Charlie had made arrangements for that to happen. Whether it was me including him on a list of suggested people to participate and that list being the list that was eventually approved for the attendees to attend the coffee——

Question. Did Mr. Trie first make this request to you?

Answer. I don't know what the sequence of that was, whether he spoke to anybody before me or after me. But I'm sure that he communicated to me and I communicated to Richard Sullivan—or I guess, if this is '95, it would be to Richard Sullivan, I presume, yeah.

Question. Do you know whether Mr. Wang made any contributions in connection with the presidential coffee that he attended?

Answer. I don't believe he did, but I don't know that for a fact.

Question. Did you attend the meeting that's described in the memorandum I've given you, the meeting between Mr. Trie, Mr. Wang and Mr. Fowler?

Answer. I believe I did, yes; but I am not altogether sure.

Question. Do you recall any discussions at meetings between Mr. Trie, Mr. Wang, Mr. Fowler and yourself?

Answer. I believe to the best of my recollection is that the meeting was maybe 5-minutes long as Mr. Fowler was rushed to go to a luncheon or another appointment and that it was a very brief exchange of pleasantries, and I'm not even sure there was an actual sit-down at the table.

Question. Do you recall whether Mr. Trie or Mr. Wang made any requests for assistance in meeting government employees?

Answer. I do not recall that ever being mentioned.

Question. Did you have any contact with Mr. Wang after this meeting?

Answer. I believe walking him out—walking him out with Mr. Trie, escorting him to the elevator.

Question. Did you have any subsequent telephone conversations with Mr. Wang?

Answer. I don't believe I did, no.

Question. Do you recall whether you met him any time after this meeting described in the document we've been reviewing?

Answer. Well, I know that I met him the morning of the coffee, but I don't recall meeting him—and then maybe they came by the DNC. I have a brief recollection of them coming by the DNC and seeing them outside the building, asking them how it went and then them getting in a cab and going off from the DNC.

Question. And when you say "them," to whom are you referring?

Answer. Charlie and Winston Wang.

Mr. WILSON. This document has been marked Exhibit DM–13.

[Mercer Deposition Exhibit No. DM–13 was marked for identification.]

Mr. WILSON. I've given the witness a document that's been marked DNC 1587663. It is a memorandum to Ari Swiller from Mr. Mercer dated June 19, 1995.

EXAMINATION BY MR. WILSON:

Question. This memorandum contains personal information for four individuals. Do you recall preparing this memorandum?

Answer. I don't recall preparing it, but I know the names on the—on the memorandum listed.

Question. Do you recall why you prepared this memorandum?

Mr. REED. I think the testimony was that he didn't recall that he had prepared the memorandum.

EXAMINATION BY MR. WILSON:

Question. I apologize. Do you have any knowledge of why the four individuals are grouped together in this memorandum?

Answer. Being that they are probably trustees, Ari Swiller being the trustee director, and informing him of, you know, the fact that these trustees may be participating in the event; and it could have been the coffee of 6/21, but I'm not sure.

Question. Do you know who Mr. George Marcus is?

Answer. Yes, I do.

Question. Who is Mr. Marcus?

Answer. Mr. Marcus is the partner—founding partner of Marcus & Milichap, which is a real estate company in Sacramento or San Francisco, California, or in that area.

Question. And do you know Mr. Mark Dayton?

Answer. Yes, I do.

Question. Who is Mr. Dayton?

Answer. Mr. Dayton is an investment banker—I believe Vermillion Investments from Minneapolis, Minnesota.

Mr. WILSON. This memorandum is marked exhibit DM–14.

[Mercer Deposition Exhibit No. DM–14 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you recall whether you solicited contributions from Mr. Marcus?

Answer. I believe, yes, I have.

Question. Do you recall whether you solicited contributions from Mr. Dayton?

Answer. Yes, I have.

Mr. WILSON. I've given the witness a document which has been marked DNC 1612853. It has a title: Memorandum for Charlie Trie. It's from Mr. Mercer, dated October 16, 1995.

EXAMINATION BY MR. WILSON:

Question. Did you ever discuss with Mr. Trie setting up an organization called Democrats Abroad in Taiwan?

Answer. I discussed with Mr. Trie in response to his inquiry as to whether a chapter or operation of Democrats Abroad existed in Taiwan.

Question. Did Mr. Trie first mention to you the existence of Democrats Abroad in Taiwan?

Answer. I believe, as based on this memo, that I'm informing Mr. Trie, based on my inquiries, that there currently already existed a chapter in Taiwan of Democrats Abroad.

Question. And do you recall why you provided this information to Mr. Trie?

Answer. It was standard request. I would get requests like that before—did we have one in France? And all over the world, we have chapters. And he asked the question; and I made the inquiry and found out, even for myself, making me more educated about where Democrats Abroad resided, that there was, in fact, a chapter in Taiwan.

Mr. YEAGER. Could I just interject here? Is it your understanding that Democrats Abroad is—whether the various chapters are affiliated with the DNC formally?

The WITNESS. I believe that would be more in name than in practice or any other kind of relationship that would exist. And I believe they operate under their own bylaws, but I'm not altogether sure.

EXAMINATION BY MR. WILSON:

Question. Do you recall whether Mr. Trie specifically asked you about the organization, Democrats Abroad, or whether he just asked you whether there was an organization in Taiwan that he might support or be able to direct others to support?

Answer. I believe he asked me if there was Democrats Abroad in Taiwan. And I mean that's my recollection from this memo.

Question. Is it fair to say then that your recollection is that Mr. Trie actually asked you about the Democrats Abroad organization initially?

Answer. I can't say for sure; but, based on my response in the memo, I would assume that that was the inquiry.

Question. Do you know whether Mr. Trie did open a chapter of Democrats Abroad in Taiwan?

Answer. Well, I believe that there already existed a chapter. How he may have related to that chapter and the contact, Tammy Turner, I do not know; nor have I heard of any subsequent follow-up to the memo.

Question. Did he ever discuss with you organizations of Democrats outside of the United States after the date of this memo?

Answer. Not that I can recall.

Question. Did Mr. Trie or Mr. Green ever contact you about a trip that they were planning to take to Hong Kong in October of 1995?

Answer. Not specifically. I may have known that they were traveling to Hong Kong or whatever; but I don't—I don't recall, other than there being a dinner in Hong Kong that I was informed about, with Eric Hotung serving as a host and Ron Brown attending. But I don't know what year that was or I don't recall what year that was or when it was, but I have a recollection of knowing about that.

Question. Do you recall who told you about the dinner?

Answer. Could have been Kathy Hoffman. It could have been Charlie Trie or it could have been Ernie Green, but I don't know. I don't recall.

Question. Do you recall whether you were asked for any assistance to help either Mr. Green or Mr. Trie attend the dinner you have described with Mr. Brown and Mr. Hotung?

Answer. No, I wasn't because I had nothing to do with it.

Question. Did you become aware after the dinner you have described that one of Mr. Trie's colleagues, Antonio Pan, solicited contributions at that dinner?

Answer. I had no—I did not know that he did that.

Mr. WILSON. This document's been marked exhibit DM–15 and submitted for the record.

[Mercer Deposition Exhibit No. DM–15 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you organize a fund-raiser on November 8 in 1995 at the Car Barn in Washington, D.C.?

Answer. Yes, I did.

Question. Do you recall who initially had the idea for this fund-raising event?

Answer. No, I do not.

Question. Do you recall whether this was a fund-raiser that the DNC initially sponsored or did somebody come to you with the idea of hosting—of having a fund-raiser at the Car Barn?

Answer. We customarily or usually have at least one African-American event a year; and we also—of course, African-Americans contribute to other events throughout the year. But, traditionally, there is an African-American event; and I believe that this was the African-American event for the 1995 calendar year.

Question. Do you recall whether Mr. Trie and Mr. Green were sponsors of this event?

Answer. They may have been. I don't know if they were sponsors. They may have been chairs or they may have been active in the success of the event.

Question. Do you recall how much money this event was targeted to raise?

Answer. I don't know—between 250 and half a million dollars.

Question. Do you know how much the event actually did raise?

Answer. I don't have a recollection, but it was slow, and I think it was about—it may have been about 2-something or I think we eventually closed it out at $600,000 in November or December of that year.

Question. Do you know whether Mr. Trie attended this event?

Answer. Yes, I believe he did, yes.

Question. Do you know how many guests Mr. Trie took to the event?

Answer. A boatload.

Question. Approximately how many would you think?

Answer. It looked to me anywhere from 10 to 12, something in that neighborhood.

Question. Were photographs taken at this event?

Answer. Yes, they were.

Question. Do you know who was in charge of distributing the photographs after the event?

Answer. No, I don't.

Mr. WILSON. I've given the witness a document that's been numbered F 0046082. It is a memorandum from a Maura McManimon to Mr. Mercer, and it's about proof of photos.

EXAMINATION BY MR. WILSON:

Question. The memo refers to proof photos that were pulled by Ernie and Phyllis Green. Do you know what this memo means?

Answer. Yep. I think I pulled it from my files for you—and others; and it's Maura, who was our events coordinator, informing me that Ernie and Phyllis—and I'm not sure if it was both or one or the other—pulled photos from October, or whatever event it was, for their handling.

Question. Do you know how Mr. or Mrs. Green, Ernie and Phyllis Green, viewed these photographs?

Answer. How they——

Question. How they viewed the photographs? Do you know whether they came into your office to view these photographs?

Mr. REED. David's personal office?

Mr. WILSON. Yes.

EXAMINATION BY MR. WILSON:

Question. I'll follow up with other questions, but did they come to your personal office?

Answer. No they didn't. As the memo is indicating, I'm being informed by a third party as to what transpired. So I was not aware of when they came in, if they came in, if they just over the phone pulled those numbers in conjunction with Maura, and

they were delivered. I don't know what the logistics of that were relative to your question.

Question. Do you know whether Ernie or Phyllis Green wanted these photographs for themselves?

Answer. I am not aware of that.

Question. There are a number of individuals listed in this memorandum who had their photographs taken with either the President or Secretary Ron Brown. Do you know if the individuals who are listed as having their photographs taken with either Secretary Brown or the President were invited by Charlie Trie to this event, to the Car Barn event?

Answer. I am assuming that is the case, but I do not know for a fact who invited them.

Question. Do you know whether the individuals that are listed in this memo were all contributors to the DNC?

Answer. At the time, did I know if they were contributors or——

Question. Do you know now?

Answer. Well, I see Celia Chau, and I only know from my deposition time at the Senate that she is or was a contributor, and I don't recognize the other names. And at the time of the event and seeing a Chinese—or Asian, I should say—Asian Pacific American group, I did not know at that time who was a contributor or who was not a contributor.

Question. If we could just go down very quickly through this memorandum and if you could tell me whether you recognize the name as contributors to the DNC or whether you don't recognize them as contributors?

Answer. May I add—it may be more helpful to first let you know whether I know them at all first, as opposed to whether I know them and know them to be contributors.

Question. Actually, if you would do that, that would be quite helpful.

Answer. I do not know 009. I don't know 025.

Mr. REED. Just for the record, David's referring to the photograph numbers that accompany descriptions with names.

The WITNESS. And the purpose for the number is because the pronunciation of the names is difficult.

Mr. REED. Making our court reporter go completely insane.

The WITNESS. 025, I do not know. 026, I don't know. 027, I don't know. I do know 044. I don't know other than Charlie Trie and Don Fowler, 045. I do know 046, 047. 052, I know Phyllis Green. I know 055. 069, I do; and unless Pan in 069 is Antonio Pan, I don't know Yan Sheng Pan.

070, I do not know. I don't know 071, exempt for Lap Seng Ng, which I believe is Mr. Wu. 094, I don't know. Terry Boyd I don't believe is part of this group and may be an African-American donor, but I'm not altogether sure.

098, I do not know. I do not know 099, nor 100, nor 101, nor 102, nor 103. 104, I don't know Celia Chau, but I've been presented with check copies, tracking forms, whatever. 163 is Kellee Baker, who I do not know. I do not know 164, nor 168. And 169, I know Ernie Green and President Clinton, or I'm aware of them. 170, President Clinton but not the Asian delegation. 171, Clinton, Secretary Brown I do know.

176, I don't know. 191, I don't know the reference to audience photo. 196 is the President approaching the podium. 206, I know Lap Seng Ng, being Mr. Wu. I don't know the other party. And then 221, 223, 224, 225, 226, I know the parties identified there.

EXAMINATION BY MR. WILSON:

Question. Do you recall ever asking Mr. Trie at the Car Barn fund-raiser who any of the individuals that he had brought as guests were?

Answer. I don't believe I did.

Question. Do you recall speaking with any of the individuals listed in this memorandum?

Answer. Aside from maybe directing them as to moving from a photo line to the luncheon room or something of that sort, no.

Question. After the Car Barn fund-raiser took place, do you recall having had any discussions with Mr. Green about the amounts of money raised in conjunction with the event?

Answer. I believe with most people, including Mr. Green, that I had discussions about closing out the event and collecting checks, as would be customary for anything that you received at the door; and I tried to get the remainder of it afterwards.

Question. Did Mr. Green convey to you any checks in conjunction with this event after the event?

Answer. He may have, but I don't recall specifically.
Mr. WILSON. This document may be marked DM–16 and submitted for the record.
[Mercer Deposition Exhibit No. DM–16 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you ever have any discussions with Charlie Trie about an individual named Wang Jun attending a presidential coffee?
Answer. Yes, I did.
Question. What was the substance of the first conversation you had with Mr. Trie about Wang Jun attending a presidential coffee?
Mr. REED. I'm going to object to the form, because there was no indication that there were more than one.
The WITNESS. As I can best recall, generally speaking, that Charlie was interested in having guests accompany him to an event, coffee, whatever it may be, that when we learned of his schedule and what schedule of events we had, I believe the February coffee was mentioned.
He asked if he would be able to bring a certain number of guests. I don't know if that was two or three or whatever. I remember telling him that, given the size of those events, that I thought it highly unlikely. I said I could check on the invitation of one additional guest, but that would be the best-case scenario in response to his request.

EXAMINATION BY MR. WILSON:

Question. Did Mr. Trie tell you why he wanted Wang Jun to attend the presidential coffee?
Answer. I don't recall him ever telling me a specific motivation, other than having him as a guest attending the coffee.
Question. Did Mr. Trie describe to you who Wang Jun is?
Answer. He probably briefly told me who he was, and believe subsequently that I had requested a bio and information with—or on Mr. Wang Jun. Because, as anything in Washington, to respond to any requests it needs to be on paper. So I was anticipating that and secured a bio and the information necessary to get an answer on whether or not he would be invited.
Question. Who did you ask for the bio?
Answer. I believe I asked Charlie Trie.
Question. And did he—did he provide you with a bio of Mr. Wang Jun?
Answer. Yes, he did.
Question. Did you forward Mr. Trie's request to be accompanied to the coffee by Mr. Wang Jun to anybody else?
Answer. To anybody else?
Question. To anybody at the DNC or the White House.
Answer. Richard Sullivan.
Question. Did you, apart from the bio that you mentioned a moment ago about—on Mr. Wang Jun, did you make any other inquiries about Mr. Wang Jun's background?
Answer. I believe I indicated his passport number, the basic information you would need to submit a name for attendance at a coffee in lieu of a social security number. I got a passport number and the date of birth.
Question. Do you know who made the final decision to include Mr. Wang Jun in the coffee?
Answer. I have no idea.
Question. Did you ever discuss Wang Jun's attendance at the February 1996 coffee with Mr. Green, Ernest Green?
Answer. No, I did not.
Question. Do you recall whether you solicited a check for $50,000 from Mr. Green in February of 1996?
Answer. I do not specifically recall soliciting a check for 50,000 from Mr. Green.
Question. Do you recall Mr. Green making any contributions in the first half of 1996 to the DNC?
Answer. Yes, I do.
Question. And do you recall anything specifically about that contribution or contributions?
Answer. That it was a $50,000 contribution. It's been listed as a 20- and $30,000 contribution respectively, which is just the Federal amount, Federal split. But it was one check from the Greens that was given to us around the time of February, and in and around that time of the coffee.
Question. Did they tell you what the contribution was for?

Answer. Not that I can recall, no.

Question. Do you recall meeting with Mr. Green for a breakfast on the morning of February 6th of 1996?

Answer. I could have, but I don't recall meeting him that morning, no.

Question. Did you—did you meet with Mr. Green for breakfast on more than one occasion in your recollection?

Answer. I have—I worked closely with Mr. Green. And over the 4 years that I've been at the DNC, I'm sure we've had breakfasts, lunch, and dinners.

Question. Do you recall when and where Mr. Green gave you the $50,000 contribution for the DNC?

Mr. YEAGER. Objection. I don't believe he testified that anyone gave him the—that Ernie Green gave him the check.

Mr. WILSON. Fair enough.

EXAMINATION BY MR. WILSON:

Question. Did—did Mr. Green give to you a contribution in the first half of 1996?

Mr. REED. You mean to David personally?

Mr. WILSON. To Mr. Mercer personally.

The WITNESS. Not that I recall him giving me the check that we're referencing, him giving it to me directly, no.

EXAMINATION BY MR. WILSON:

Question. Do you recall the circumstances of Mr. Green making the contribution of $50,000 in the first half of 1996?

Answer. I believe it came in from Mr. Trie, but I don't have specifics of how the check was gotten to us into the office, whether he delivered it or—I just don't recall that. But I believe it came from Mr. Charlie Trie.

Question. And why do you believe that?

Answer. Because I just have a vague recollection of that.

Question. Do you have a recollection of any of the other surrounding circumstances of the contribution? Do you know who Mr. Trie gave the check to?

Answer. I don't, other than he could have given it to me, but I don't recall specifically if he did give it to me.

Question. Do you recall whether there was an indication of where the—the check should be credited to in terms of its fund-raising designation?

Answer. I was given no indication by anybody externally as to how the check should be designated. That's more of an internal departmental decision-making based on the events that were active or that are open. And I would assume that it's the finance director's discretion as to what money gets credited where and how and when. But I got no direction internally—I mean externally as to how that should be credited.

Question. Did the—did the finance director make all the decisions as to where monies would be credited?

Answer. I think he was a part of the decision-making. Who else was involved, you would have to ask the finance director. And who he relied on or what other judgment calls he made in making that decision, I do not know.

Question. Were you ever involved in that decision-making process?

Answer. I may indicate for what my purposes and reasons may be for indicating where a check should be allocated to. That does not mean that that happens or was approved or that it didn't go elsewhere.

Question. Do you recall having had any discussions with Mr. Green about any White House coffees?

Answer. I may have. And you know, whether he was invited to a coffee, I'm not even sure that he did, at least under the auspices of the DNC. But I may have, but I don't have a specific recollection of—on any one occasion calling him and inviting him to a coffee.

Question. Do you know whether the check from Mr. Green was ultimately credited to a coffee?

Answer. I believe it was, which, of course, has caused a lot of confusion.

Question. And when did you first learn that?

Answer. When did I—I may have even put it down as the coffee on the tracking form as a reference point, but had—you know, it could have been attributed to any other event that may have been open. I don't know, but I believe that that's what, in fact, happened.

Question. Do you recall whether you ever credited any other checks, at least designated them, to a coffee for keeping track of them in fund-raising?

Answer. I mean, I don't recall specifically, but it's possible. And I've seen other documents that—of—or at least I saw just recently a check that I had solicited that somebody else wrote in—not my handwriting—but somebody else had wrote in for a coffee.

Question. Do you recall whether Mr. Trie contacted you after the February 6th, 1996 Presidential coffee and spoke with you about the coffee?

Answer. He may have, but I don't have a recollection of him doing that. Excuse me.

Question. Do you know whether photographs were taken at that coffee?

Answer. I believe photographs are taken at most coffees, but I don't know if photographs were taken at that coffee. I'm not sure.

Question. Do you know whether you received any requests for photographs that would have been taken in conjunction with the February 1996—February 6, 1996, Presidential coffee?

Answer. Not that I recall.

Question. Do you recall whether you ever asked anybody at the DNC to locate photographs that included Mr. Wang Jun at the February 6 Presidential coffee?

Answer. I may have, but I don't have a recollection of that.

Mr. WILSON. I've given the witness a document which appears to be handwritten notes. It's been marked F 0011427.

EXAMINATION BY MR. WILSON:

Question. Do you know what these notes refer to?

Answer. I have no idea.

Question. Do you know whose handwriting this is?

Answer. I have no idea.

Mr. WILSON. This document is marked Exhibit DM–17 and submitted for the record.

[Mercer Deposition Exhibit No. DM–17 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. During the summer of 1996, did Mr. Trie ever contact you in respect of the Democratic national convention in Chicago?

Answer. Oh I'm sure he did.

Question. Do you remember whether he made any requests of you?

Answer. As probably a thousand other donors did, yes.

Question. Did Mr. Trie contact you about anything involving the summer Olympics in 1996?

Answer. I believe yes, he did.

Question. And do you remember what he contacted you about?

Answer. Yeah, how one would maybe attend the summer Olympics.

Question. And do you know whether he did, in fact, attend the Olympics?

Answer. I don't believe he did.

Question. Between a 1995 and 1996, approximately how many times did Mr. Trie or one of his employees or colleagues contact you?

Answer. I can't put a number to that. I will say that, while there were a lot of voice mail messages and phone tag and what have you, that—I mean, in my mind I recall either seeing Charlie or talking with Charlie maybe 20 times over the 2 years, if that's even accurate.

Question. Did you ever attend parties at Mr. Trie's Watergate apartment?

Answer. I attended a gathering to watch the opening of the special—of the Olympics one evening at Charlie's house or apartment.

Question. And when you refer to Olympics, are you referring to the summer of 1996 Olympics?

Answer. I believe I am, yes.

Question. Did you attend any other parties at Mr. Trie's apartment?

Answer. I attended no other gatherings, as I would classify it, at his apartment.

Question. Did you ever visit his apartment on any other occasion than the one you described involving the summer Olympics?

Answer. Probably two or three times, yes.

Question. And why did you visit his apartment on those occasions?

Answer. Either to drop off invites or to drop off a souvenir pen or those kinds of things.

Question. And why did you visit the apartment to drop off the invitations or pens?

Answer. Well, I think one—first off, I think it's—let me clarify that. I think the apartment was used as an office, and it was like any other responsiveness to other donors where I might have to drop off invitations or drop off a souvenir or whatever

or meet with them at their offices as opposed to them coming to the DNC, which they also did. So it was not unusual for me to go by his office, if you will, on those occasions.

Question. When you attended—when you went to Mr. Trie's apartment in conjunction with the summer 1996 Olympics, were any other DNC employees there at the same time that you were there?

Answer. I believe Lottie Shackleford, to the best of my recollection, was the only other DNC individual there.

Question. Do you know of any other DNC employees that were there at a time when you were not there?

Answer. Not—no. I don't.

Question. Did——

Answer. Let me—you just—just refreshed my memory that Susan Lavine could have been there. I have a vague recollection of her being there, but I'm not sure.

Mr. REED. Is this in reference to the gathering?

The WITNESS. It's in reference to the gathering for the opening ceremonies for the Olympics.

EXAMINATION BY MR. WILSON:

Question. Do you know of any White House personnel visiting Mr. Trie's apartment?

Answer. No, other than if you're getting to Mark Middleton being there. Mark Middleton was there, but I don't believe at the time that he was working for the White House.

Question. Is it your belief that Mr. Middleton visited Mr. Trie's apartment, but only after the time that he had left the White House?

Answer. I don't know that.

Question. Were you ever invited to attend any other parties at Mr. Trie's or any—were you ever invited to attend any function at Mr. Trie's apartment?

Answer. My—you see, my recollection—because I never even thought about it in passing, but I was shown a call sheet in the Senate where there was an indication that Antonio Pan had called and invited me to another function, which I did not attend, nor did I recall it at the time, nor do I have any recollection of it now.

Question. Do you recall what the event was supposed to be about?

Answer. I do not.

Question. Did you ever ask Antonio Pan for contributions to the DNC?

Answer. I do not believe that I did, although it could have been of a follow-up of a question or an issue that I had discussed with Charlie, but I doubt it.

Question. Did anyone ever contact you on behalf of Mr. Trie to arrange tours of the White House?

Answer. Not that I am—not that I recall.

Question. Do you recall whether Mr. Trie ever asked you to organize a private tour of the White House for him or for anybody else?

Answer. I don't recall that, but I know that there is paper where I make a request and hand that in, but I don't recall doing that. And I don't know what the nature of the tour was or who was on it.

Question. Did you ever arrange for Mr. Trie to use the White House Mess for the purpose of eating a meal there?

Answer. Not that I recall, and I don't believe I did.

Question. Do you know whether Mr. Trie was invited to use the President's box at the Kennedy Center?

Answer. Could you repeat the question?

Question. Do you know whether Mr. Trie was invited to use the President's box at the Kennedy Center?

Answer. I don't know.

Question. Do you know whether the DNC ever paid for a cellular phone that was used by Charlie Trie?

Answer. Not that I'm aware of, no.

Question. Did you ever arrange for Mr. Trie to meet administration officials?

Answer. Not that I can recall.

Question. Did you ever provide an introduction for him to meet any government employees?

Answer. I could have, but I don't recall my doing so.

Question. Did Mr. Trie ever discuss his desire to be appointed to a Federal commission or board with you?

Answer. He, I believe, but I don't have a specific recollection of this, that he had shared with me that he was being appointed to a board and commission.

Question. Do you know whether he discussed his desire to be appointed to a board or commission in advance of the communication you just referred to?

Answer. I was not aware of his being appointed to that board, nor did I have anything, I believe, to do with his being appointed to that board or commission.

Question. Do you know Phyllis Jones?

Answer. Yes, I do.

Question. Who is Phyllis Jones?

Answer. She's a political appointee at the Department—or, excuse me, the United States Trade Representative.

Question. When did you first meet Ms. Jones?

Answer. I don't recall. I do believe meeting her for lunch at the Old Ebbitt Grill, I don't know—recall the date, but most of our conferences took place over the phone.

Question. What year did you first either meet or have a conversation with Ms. Jones?

Answer. I don't know if it was '95, '96. I tend to lean towards '96, but I don't recall.

Question. Do you recall whether you ever discussed DNC donors with Ms. Jones?

Answer. I responded to Ms. Jones' request for the names and information on businesses that would be pooled, and it was part of her outreach to find different businesses to consider for appointments or recommendations for appointments.

Question. Did she, on more than one occasion, reach out to you for suggested names?

Answer. I think it might have been on two or three occasions.

Question. And do you recall any names that you would have given to her in conjunction with her outreach efforts?

Answer. Off the top of my head, no, I do not recall.

Question. Do you know whether you responded to her in a memorandum form?

Answer. I'm vaguely recalling that I did that or that I've seen something referencing that over the course of this inquiry.

Question. Do you know Demetrios Boutris in the United States Trade Representative's Office?

Answer. I know the name Demetrios Boutris who is not a trade representative. I know another Demetrios Boutris.

Question. And where did you first meet the Mr. Boutris you refer to?

Answer. I have never met him before.

Question. Have you had conversations with him?

Answer. I had a conversation, a brief one. The Demetrios us that I'm talking about is an employee at McAndrews and Forbes in New York City.

Question. And do you recall whether Mr. Boutris that's employed by McAndrews and Forbes called you, or did you call him?

Answer. I called him to get any ideas with regard to Greece and what I might see in Greece.

Question. And was your interest in Greece in conjunction with a personal matter?

Answer. That's correct.

Question. Did you ever discuss Mr. Trie's placement on a board or trade commission with Jude Kearney?

Answer. I don't believe I did, no.

Question. Did you ever discuss—did you ever discuss Mr. Trie with anyone in the White House Office of Presidential Personnel?

Answer. I don't believe I did.

Question. Regarding Mr. Boutris——

Answer. Yes.

Question. When—when did you get Mr. Boutris's name for you to contact him?

Answer. Eight weeks ago, seven weeks ago.

Question. Was your contact with Mr. Boutris in the last 3 months?

Answer. Yes.

Question. Had you ever spoken with him before the last 3 months?

Answer. No, I did not.

Question. Where did you get his name?

Answer. From Bill Lynch, who is also an employee at the company of McAndrews and Forbes.

Question. Do you know whether Mr. Trie had ever made a contribution to the DNC prior to 1994?

Answer. I do not know, aside from what I believe to be the first contribution of 100,000, which was, I believe, made in 1994. I do not believe or am I—am I—that I'm aware of any other contribution prior to that $100,000 contribution.

Question. Did Mr. Trie ever have discussion with you during which he mentioned any other political contributions that he might have made prior to the initial 1994 DNC contribution?

Answer. Not that I recall, no.

Question. Had you ever been to Mr. Trie's restaurant in Little Rock?

Answer. No, I had not.

Question. I believe that when we were examining our list a few moments ago, one of the names from the Car Barn fund-raiser was Tony Hsu, which is spelled H-S-U, and I didn't pick up on this at the time, but I believe Mr. Hsu is associated with an organization called the Chy Corporation, which is C-H-Y corporation. Do you—and you testified that you did not know who Mr. Hsu was, so I don't want to keep asking the same questions over. But in conjunction with the corporation called the Chy Corporation, do you remember ever having met or heard of Tony Hsu?

Answer. No.

Question. Do you know what the Chy Corporation is?

Answer. No, I do not.

Question. Do you ever—do you recall having either solicited or received contributions from the Chy Corporation?

Answer. Not specifically, no, although I know that I may have seen a check tracking form or copy of the check, but I don't recall making the solicitation. I don't believe I made the solicitation. I think it was money that was raised from one of our fund-raisers, but I don't—lay fund-raisers, but I don't know the specifics of it.

Mr. WILSON. I have provided the witness with a document marked DNC 1479318, dated 11/21/96, entitled "DNC Finance Executive Summary."

EXAMINATION BY MR. WILSON:

Question. Is this the check tracking form you were just referring to?

Answer. No, it's not.

Question. Do you—does this document refresh your recollection at all as to any contributions made by either Mr. Hsu or the Chy Corporation?

Answer. No, other than the check tracking form that I saw, knowing that—that they did make a contribution. I might add that these—similar documents that you're showing me are printouts from our AS400, which the integrity of the data is something that we don't rely on and is something that so many people are involved in the process. For instance, I could do one event and then head out to another city, not be present when checks arrive, and people fill it out to the best of their knowledge. Based on that information that's recorded on the check tracking form, it then goes into the AS400. So you're not altogether sure of what the integrity of the data is.

But, I mean, only because I have seen the Chy Corporation copy of the check do I recall the Chy Corporation making a contribution. But I don't—and I did not know if you had asked me earlier that it would be $20,000.

Question. When—you just referred to the integrity of data coming out of the AS400 as suspect. What data would be suspect?

Mr. REED. With respect to this particular——

EXAMINATION BY MR. WILSON:

Question. Well with respect—just as a general, as in a general sense, what data would you feel could not be relied upon?

Answer. For instance, I think there's a—and you may have a copy of it—there's a fund-raising account that I was shown in the Senate deposition, supposedly with all the names of people who were attributed to my raising money from. On first glance, you would think that I talked to every one of those people and got checks from them. It's just not the case. While I may have been the lead fund-raiser on the event, managing the logistics, also fund-raising, what have you, people would just get the check, fill out the tracking form to the best of their knowledge, thinking that because David Mercer is the leader of the event, he's, in fact, the one who solicited the contribution, when, in fact, that wasn't necessarily the case.

Or it could have been a check where the person never even attended the event, they sent it into the mail. You would think that they attended the event because they're recorded as being in that event.

There's all kinds of hybrid situations that goes deeper,, and I'll articulate it that way as opposed to the integrity of the data. There's a whole lot of other circumstances that allow you to go deeper than at face value of the document itself, or documents, from the AS400.

Mr. YEAGER. If I might interject, I gather from your testimony that you're referring to the solicitor category on the check tracking form.

The WITNESS. That is a reference as a hypothetical and an example in response to Mr. Wilson's question. But there may be other pieces of information. I know that what—I know, for instance, if—with regard to the address, phone number and everything else, that was very important for us to make sure that we had the correct information, not only for FEC reporting requirements, but also to be able to reach out to that donor to let them know that we were still in touch with them in hopes of them continuing to contribute to us.

So that data—but again, you have people changing addresses or whatever. People could give us one address where it's their home, but they can be reached at their company, but you don't have the company address. There's a whole bunch of—I'm trying to give you a sense for keeping track of this data and the dual functions of both fund-raising and the collection, the inputting, and the processing of the data and all the circumstances that could surround just that process.

Mr. YEAGER. One further clarifying question.

The WITNESS. Sure.

Mr. YEAGER. If I may, counsel.

With respect to data required by the FEC, do you have any reason to believe that the data inputted into the AS400 lacked accuracy?

The WITNESS. No. And the only—no, I do not. I believe that we've all read about the addresses of the DNC being put in under certain contributors' names, but I—other than that, I would take that information to be pretty accurate, and based on what we have been—what's been communicated to us from the donor and/or solicitor of the check.

EXAMINATION BY MR. WILSON:

Question. Did you ever regard the dollar amounts listed in AS400 printouts as being suspect?

Answer. No, because it is clear from the check what that—what the dollar amount is, so I would not—you know, unless it was a typographical error or something, I would not believe that that was something that would be questioned.

Mr. WILSON. This document is marked Exhibit DM–18 and submitted for the record.

[Mercer Deposition Exhibit No. DM–18 was marked for identification.]

Mr. WILSON. Could we go off the record for a moment, please?

[Discussion off the record.]

[Brief recess.]

Mr. WILSON. Back on the record.

EXAMINATION BY MR. WILSON:

Question. Do you know Pauline Kanchanalak?

Answer. I know the name. I don't recall ever meeting her, but I could have been in an event that she was also in attendance, but I don't know that that's the case.

Question. Have you ever spoken with her on the telephone?

Answer. Not that I know of, no.

Question. Do you know when she began giving contributions to the DNC?

Answer. I'm sorry?

Question. Do you know when she began giving contributions to the DNC?

Answer. No I do not.

Question. Do you know whether Ms. Kanchanalak was in contact with any of the other individuals in your office?

Answer. I know from press accounts that she may have had interaction with John Huang, but I didn't know that before. And I only know that from press accounts.

Question. Did anybody ever mention to you that Ms. Kanchanalak had an interest in working with the Bureau of Labor Statistics?

Answer. Not to my knowledge or the best of my recollection, I don't know that.

Question. Did you ever discuss the coffee, Presidential coffee, that Ms. Kanchanalak attended with Richard Sullivan?

Answer. I don't recall having a conversation regarding Ms. Kanchanalak in a coffee.

Question. Prior to—prior to 1997, did you have any conversations with any DNC employees about whether Ms. Kanchanalak made contributions in her own name, or whether she made contributions in which the money came from somebody else?

Answer. I believe that at the time of the press inquiries, but I'm not sure, I can't pinpoint whether it was from November, December, or January, or February of '97, I believe that I was present for a conversation with Ari Swiller and Richard Sullivan in which it was discussed that she may have, as the press was reporting—it was a discussion of an aftereffect of the press reporting that she had submitted checks,

and I don't even know the details, but somehow in the name of her mother or on behalf of her mother when it may have been her. But, again I don't know the details.

Question. Do you know whether anybody at the DNC contacted Ms. Kanchanalak to discuss with her who had made the contributions attributed to her?

Answer. No, I don't.

Question. Did Mr. Swiller ever mention a telephone conversation with Ms. Kanchanalak about the source of contributions made in Ms. Kanchanalak's name?

Answer. I don't recall specifically the conversation that I referred to earlier with Richard and Ari, and I don't—in the sense that she may have made contributions in the name of her mother. But I don't know who knew that, or who was confirming that she did or not confirming, or I don't—I don't recall.

Question. When you had the conversation with Mr. Sullivan and Mr. Swiller about Ms. Kanchanalak and the origin of her contributions, do you recall whether anybody suggested that the DNC should take any actions in respect of the information that you learned during that conversation?

Answer. I don't have—I'm sure that there was some decision-making as to how to deal with the situation, but I don't—I was not privy to that information.

Question. Do you know John Huang?

Answer. Yes, I do.

Question. When did you first hear Mr. Huang's name?

Answer. I don't recall.

Question. When did you first meet Mr. Huang?

Answer. I believe it was in the fall of 1993.

Question. And do you recall the circumstances of your meeting Mr. Huang?

Answer. Yes I do.

Question. What were they?

Answer. They were in preparation for two fund-raisers that we were putting together in either October or November of 1993.

Question. Where were those fund-raisers to be held?

Answer. One was at—it was a reception in the early evening at Creative Artist Agency. And the second one was a dinner at the home of Marvin Davis.

Mr. REED. For the record, this would be in southern California?

The WITNESS. In Los Angeles.

EXAMINATION BY MR. WILSON:

Question. And do you remember the months of those fund-raisers?

Answer. I don't know if it was October or November, even possibly December, but it's within the fall of 1993.

Mr. WILSON. I've given the witness a document which has been marked F 0045577. It's a memorandum—draft memorandum to Minyon Moore from Mr. Mercer, dated November 30 of 1993.

Do you recall preparing this memorandum?

Answer. I don't recall preparing it, but I believe that I did prepare it.

Question. On the final page of this memorandum, Mr. Huang's name is listed. Do you—do you know why you recommended that Mr. Huang participate in this conference?

Answer. Like I recommended the 20 plus other names on here, them being known as business leaders or—and/or supporters, and both nationally and/or locally, and that they be recommended for consideration to participate in the economic conference that was scheduled around the same time that the fund-raisers were scheduled.

Question. Do you know how you got Mr. Huang's name for—name and address for inclusion in this list?

Answer. I believe Mr. Huang's name was among many other names of supporters of both the DNC, the President, and that we had talked with him about helping us for the fund-raisers as well as probably talked to him about this. But I don't recall talking to him about the conference. And including him among those that would be discussed in—we had his name and address on the lists that we had had.

Mr. WILSON. I've marked this document Exhibit DM–19 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–19 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did Mr. Huang ever pay any bills that you acquired while you were an employee at the DNC?

Answer. Mr. Huang had provided an in-kind contribution for a hotel bill that included expenses associated with the preparation of the fund-raiser for several staff members that were there working on the fund-raisers.

Question. Did you discuss this in-kind contribution with Mr. Huang?

Answer. Yes, I believe I did.

Question. Did he—did he offer to make this in-kind contribution?

Answer. I believe I shared with him the request, and he was agreeable to conceding to the request.

Question. Is—was this a request that you made of him, or did you pass it along to him from somebody else?

Answer. I believe that I made it of him, and I'm not sure if Nancy Jacobson had talked to him or not. I'm not sure of that at all, but I believe I was one that talked to him.

Question. Did you know at the time that you were staying in the hotel that ultimately was paid for by Mr. Huang that he was going to be making this in-kind contribution?

Answer. No, I did not.

Mr. WILSON. So we have in front of us what we're talking about, I've given the witness a document marked DNC 3161227. It's a letter from Mr. John Huang to a Ms. Linda Sperber.

EXAMINATION BY MR. WILSON:

Question. Do you know if the amount of Mr. Huang's contribution, which is listed here as $6,500, was a full payment for the expenses incurred by yourself and other staff members?

Answer. I believe it was, but I'm not altogether sure.

Question. Do you know if Mr. Huang was reimbursed for this?

Answer. I don't——

Question. For any of this contribution?

Answer. I don't believe he was. I believe it was recorded as an in-kind contribution.

Question. How—was it your responsibility to record this in-kind contribution?

Answer. It was to inform people of the in-kind contribution, and then it got reported in the FEC reporting, or there was an in-kind contribution form that we filled out.

Question. Do you remember filling out an in-kind contribution form for this particular contribution?

Answer. I don't have the specific recollection, but I believe that it was reported as an in-kind contribution.

Question. Was there a—a prepared form that you would obtain and fill out whenever you received an in-kind contribution?

Answer. That's correct.

Question. And where would you get this form from?

Answer. From the operations manager or whatever of the DNC finance division.

Question. And who would you return the form to once it was filled out?

Answer. To the person that was the operations director, or Neil Reiff handled, I believe, in-kind contributions as part of his preparation for the FEC reporting.

Question. Do you recall in the case of this particular in-kind contribution whether you discussed the contribution in advance of Mr. Huang writing this letter?

Answer. I may have with Nancy Jacobson or Laura Hartigan, but I'm not sure of who I may have talked to first or together or consecutively or how.

Question. Do you know of any other payments made by Mr. Huang for rooms or expenses of DNC employees?

Answer. Not that I'm aware of.

Mr. WILSON. This document has been marked as Exhibit DM–20, and I'll put it in the record.

[Mercer Deposition Exhibit No. DM–20 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. The—this particular in-kind contribution we discussed that paid for a room and expenses in a hotel, was there a usual type of in-kind contribution?

Answer. We—yes.

Question. Do you recall other examples of in-kind contributions that were made to cover the expenses you incurred in a hotel?

Answer. Yeah. Just recently I was in Boston, and the Copley Plaza Hotel put me up, because that's where we were having the event, and they gave me an in-kind or complimentary value, the value of which would be an in-kind contribution.

Question. Prior to November 1996, did you personally receive—and I don't mean you personally, but did the DNC receive an in-kind contribution for your expenses in a hotel?

Answer. Can you repeat the question?

Question. Prior to November of 1996, did the DNC—was the DNC given an in-kind contribution to cover expenses that you incurred in a hotel?

Mr. REED. Are you asking if he is aware or if it's——

EXAMINATION BY MR. WILSON:

Question. If you're aware.

Answer. Off the top of my head, no. But there could have been certain situations that you're referring to.

Question. Prior to November of 1996, are you aware of any in-kind contributions being rejected by the DNC?

Answer. Not to my awareness, no.

Question. Aside from the matter we've just discussed, the fund-raisers you mentioned in 1993, and the subsequent discussions over the in-kind contribution we've just discussed, did you have any other contacts with Mr. Huang while he was employed by Lippo—by the LippoBank in California?

Answer. We—Nancy Jacobson and I had visited his office on one occasion during our preparations for the event, outlining for him the activities for that day and asking him for his help or support in that activity. And I believe, but I did not handle it or receive it, that he attended—that he made a contribution—whether it was personal or corporate, I don't know—and that he attended both the reception and the dinner.

Question. Did you have any subsequent contact with Mr. Huang that you recall before he went to work at the Commerce Department?

Answer. I may have, but I don't—I don't have a specific recollection after leaving California of when we may have talked before.

Question. Did you speak with anyone regarding Mr. Huang's appointment to the Commerce Department?

Answer. No, I did not.

Mr. WILSON. I've given the witness a document which is a—appears to be a short memorandum to Mr. Mercer from Adam Crain, dated April 20, and it's regarding a follow-up for a May 10 breakfast with the Vice President in Los Angeles. And it refers to your wanting to contact Mr. Huang about a May 10 breakfast.

EXAMINATION BY MR. WILSON:

Question. Do you recall inviting Mr. Huang to a breakfast at this time?

Answer. No, I do not.

Question. Did you have any contacts with Mr. Huang while he was employed at the Department of Commerce?

Answer. Yes, I did.

Question. And if you could please explain those contacts?

Answer. Primarily phone conversations and discussing DNC activities or other activities, social or otherwise, and keeping abreast and in touch with him.

Question. Did Mr. Huang contact you on these occasions, or did you contact him first?

Answer. I—I mean, I think we have had an exchange of phone calls. Who initiated this exchange, I don't recall.

Question. Do you recall when you first contacted or your first contact with Mr. Huang when he was employed at the Department of Commerce?

Answer. Could you repeat the question?

Question. Do you recall your first contact with Mr. Huang when he was at the Department of Commerce?

Answer. No, I don't.

Question. Do you recall any of the specific matters that you discussed when you had contacts between yourself and Mr. Huang when he was at the Department of Commerce?

Answer. I don't recall specifics. But just in trying to think back. It could have been to invite him to events; it could have been informing him of the schedule of events and whether others would want to participate. It could, you know, could have been a range of things, but, I don't recall specifics.

Mind you, that I think there's a record of 15 messages over a 2-year period. Given phone tag and voice mail, probably we had five conversations. And if you take my schedule, with a thousand calls a month over 4 years, you're talking 48,000 calls,

and amongst those I don't remember the details of every one of them. So I can only try to at this time, best of my recollection, try to recall those.

Question. Do you recall discussing any fund-raising events while Mr. Huang was at the Department of Commerce?

Answer. I don't recall specifically discussing fund-raising events, but I would think it probable that I would inform him of the fund-raising events and what the schedule was. And we often had appointees participating in our events as guests, and in some instances, there may have been people that they had been associated with before that may have also attended those events. But, you know, it wasn't an unusual circumstance.

Question. Do you recall inviting Mr. Huang to attend a DNC-sponsored event as a guest?

Answer. Again, I don't recall specifics but that could have been part of our conversation. I believe he has attended one or two events while he was at Commerce, but I don't have a specific recollection of which events those were.

Question. Do you recall whether you ever asked Mr. Huang to provide assistance in setting up meetings with Department of Commerce employees?

Answer. I don't believe that I did, but I don't recall specifically not doing that. But I don't believe that I did because I don't—I just—no, I don't believe that I did.

Question. Do you remember ever discussing trade missions while Mr. Huang was at the Department of Commerce?

Answer. I don't recall discussing——

Mr. REED. With Mr. Huang?

Mr. WILSON. Yes.

The WITNESS. With Mr. Huang? I don't believe that I did.

EXAMINATION BY MR. WILSON:

Question. Did Mr. Huang ever provide you, at the time that he was employed at the Department of Commerce, names of individuals who might be potential DNC donors?

Answer. I don't believe it was in the context that you're describing. I could have called him and asked him about an individual who I would assume may be associated with Mr. Huang, given that they share the same cultural heritage. But I don't believe that he proactively gave me information on people to follow up on.

I was somewhat aware of checks that had been at least associated with Mr. Huang prior to his appointment in 19—whatever year he was appointed. And I could have asked him about that individual or individuals. But I don't have a specific recollection of doing that.

Question. Do you have any general recollections of names of individuals discussed, if you did discuss individuals?

Answer. Well, I can say that I know that names that were associated with Mr. Huang prior to his appointment at Commerce—that being—Wiriadinata is a name that jumps out at me, which was maybe a check that was received in 1993 or 1994. But I don't—no other name kind of jumps out at me.

Question. Do you have a recollection, then, of making inquiries about checks received by Mr. or Mrs. Wiriadinata when the checks were received?

Answer. Could you repeat the question?

Question. Do you have a recollection of making inquiries about the Wiriadinatas—either Mr. or Mrs. Wiriadinata—when the DNC received checks from them?

Answer. No, I don't.

Mr. WILSON. I'd just like to mark the document we were discussing a moment ago for inclusion in the record Exhibit DM–21.

[Mercer Deposition Exhibit No. DM–21 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. How did you first become aware of Mr. Huang as a contributor to the DNC?

Answer. I believe it was in the preparations and the sharing of information among staff in preparation for the 1993 events that were referred to earlier.

Question. Did you have any contemporaneous knowledge of how Mr. Huang came to be hired as a fund-raiser at the DNC?

Answer. I think most of the information that I have since learned has been recorded in the press. Other than hearing maybe the idea that John was coming to the DNC, I did not know of all the logistics involved or discussions involved with John coming to work at the DNC.

Question. Do you recall who first mentioned to you that Mr. Huang might be coming to the DNC?

Answer. No, I don't.

Question. Do you recall any of the individuals with whom you discussed Mr. Huang prior to his coming to the DNC?

Answer. No, I don't, except that it wouldn't be unlikely for, in passing, Richard and I to have a conversation about it. But I don't recall having that conversation. But I leave open the possibility that we probably maybe talked about it.

Question. Did you know at the time of his being hired at the DNC that Mr. Huang had been recommended by Joe Giroir?

Answer. No, I did not.

Question. When did you first learn that Mr. Giroir recommended Mr. Huang?

Answer. In the press.

Question. Do you know whether—do you have any knowledge, contemporaneous knowledge of any individuals, other than Mr. Giroir, who recommended Mr. Huang for a position at the DNC?

Answer. No, I do not.

Question. Did you know——

Answer. Excuse me, contemporaneous knowledge being what has already been reported in the press and what I found out in the press, whether it be the President or other people in the chain of calls that are alleged to have occurred in the process of his hiring? That I know all through the press and did not know prior to its—or it's—simultaneous to it happening.

Question. But prior to Mr. Huang's being employed by the DNC, is it fair to say that you were not aware of anybody recommending him for the position at the DNC?

Answer. That would be fair to say. And truthful to say.

Question. Did you—did you know at the time of a professional relationship between Mr. Giroir and Mark Middleton and at time being—at the time of Mr. Huang's being hired at the DNC?

Answer. No, I did not.

Question. Did you participate in any meetings prior to Mr. Huang's being hired at the DNC during which Mr. Huang was discussed as a potential DNC hire?

Answer. I don't believe any—that I was part of any meeting at which that was discussed.

Question. Did anybody tell you, prior to Mr. Huang's being hired, that Harold Ickes had expressed an interest in Mr. Huang being hired at the DNC?

Answer. Other than the press and your mentioning it now, I had not heard of that.

Question. Did Mr. Huang ever discuss with you, while he was a member of the Department of Commerce staff, the prospect of becoming a DNC employee?

Answer. I don't believe he did, no.

Question. Prior to Mr. Huang's being employed at the DNC, did anybody communicate to you that President Clinton had made comments about Mr. Huang prior to his employment at the DNC?

Answer. Prior to press accounts, I was unaware of that.

Question. Did you ever directly solicit contributions from Mr. Huang?

Answer. At what point?

Question. At any time. Any time during your tenure at the DNC.

Answer. Well, I think in 1993 that we had asked for Mr. Huang's support. We had told him what the membership or the participation levels were of the particular events. And from my standpoint, him being an elder and what have you, I deferred to him determining how he would participate. And as I had mentioned earlier, I was not the one that principally received the checks, so I don't know how he subsequently was involved, other than to know that I saw him entering the Creative Artist Agency event, and I know that from a table seating chart that he also participated in the dinner.

And from my standpoint again with him as an elder and with a principal in our mind, in my mind, I informed him, it was not a hard sell, if you will, to participate and we need this or that. It was more an information sharing and letting him know what—what we were trying to do.

Question. Did you have any subsequent occasions to make any requests of Mr. Huang that he contribute money to the DNC?

Answer. I—I again don't know—and don't recall saying, John, I need you to write a $25,000 check. That's not the way I would communicate with Mr. Huang. But that doesn't mean that as a result of our conversations that he did not contribute, as I know he did in the 1993 events. But I would assume that other people had conversations or he had conversations with other people in making that determination and acting on it.

Mr. WILSON. I've given the witness a document which is marked DNC 3078819. It's dated 12/3/96, and it's titled, "DNC Finance Executive Summary," and it appears to be a contribution tracking form for Mrs. Jane Huang.

EXAMINATION BY MR. WILSON:

Question. Did you ever ask Mrs. Huang to make contributions to the DNC?

Answer. Not that I recall.

Question. Did you—have you ever met Mrs. Huang?

Answer. Yes, I have.

Question. When did you first meet her?

Answer. I don't recall. I mean, I have one just vivid image of her being at the DNC at the front desk, and I can't recall if I met her in '93. I can't recall beyond that. But I know what she looks like and I have talked to her on the phone, I know that.

Question. Have you had any discussions with anybody about soliciting contributions from Mrs. Huang?

Mr. REED. I'm sorry; what was the question?

Mr. WILSON. Have you had any conversations with anybody at the DNC about soliciting contributions from Mrs. Huang.

Mr. REED. At any time? At any time has he ever had any conversations?

Mr. YEAGER. I assume you're not including conversations with general counsel?

Mr. WILSON. Well, I am including any conversation.

Mr. YEAGER. Well, I would object to that.

Mr. REED. Well, let me just—can I just consult with him?

Mr. WILSON. Sure.

[Witness and counsel confer.]

Mr. REED. We would object as a matter of form to the question that call for answers to conversations that he may have had with Joe Sandler or other members of the general counsel's office of the DNC. But as a matter of fact, he did not have conversations with Joe Sandler.

The WITNESS. To the best of my recollection. And I don't think Mrs. Huang came up as a subject matter like, you know, I'm soliciting Mrs. Huang and she's going to do this. It could have been that she wrote a check and delivered some checks and I said to somebody that these checks came in or whatever. But I don't recall any specific conversation solely to do with Mrs. Jane Huang.

Mr. REED. Just for the record, I want to acknowledge Minority counsel's objection and indicate that in order to obviate time wasted, haggling over something that may be unnecessary when those objections are made, I'm going to consult with Mr. Mercer and determine if there's any conversation—privileged conversations that took place that we need to haggle about. If not, let's just move forward.

Mr. YEAGER. Fine. And for the record, I made the objection because counsel for the DNC isn't permitted to attend the deposition.

Mr. REED. We are certainly not waiving any assertion of the attorney-client privilege that would otherwise attain, but we are trying to be sensible.

Mr. WILSON. I appreciate that and if we come to a point where we have to discuss that, we will do that at the time.

I've marked the exhibit we were examining Exhibit DM–22.

[Mercer Deposition Exhibit No. DM–22 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. When Mr. Huang did become an employee of the DNC, did you discuss training with him? Fund-raising training?

Answer. His training or—any training?

Question. Any training at all.

Answer. Not that I recall, no.

Question. Do you recall ever having had any discussions with Mr. Huang about the law as it relates to fund-raising?

Answer. No, I do not.

Question. Did you have any concerns at the time of Mr. Huang's hiring about fund-raising in the Asian community?

Answer. No, I did not.

Question. Do you know whether any of your colleagues at the DNC—and I'm asking for contemporaneous knowledge, not what you have learned in press accounts subsequently—but do you know whether or not any of your colleagues had contemporaneous concerns about Mr. Huang's lack of background as a fund-raiser?

Answer. No, I did not, except for press accounts just for the record.

Question. Do you know if any of your colleagues had any contemporaneous concerns about fund-raising in the Asian community?

Answer. No, I did not.

Question. Did you know at the time whether either Marvin Rosen or Chairman Fowler had expressed a desire for Mr. Huang to be trained for fund-raising purposes?

Answer. No, I do not.

Question. Do you know whether Mr. Huang did receive any fund-raising training?

Answer. No, I do not, other than maybe a staff meeting with Joe Sandler or whatever. I don't know for a fact whether or not he was a part of that or not.

Question. Prior to press accounts about Mr. Huang at the DNC, did you know how much Mr. Huang was to be paid as a fund-raiser at the DNC?

Answer. No, I did not.

Question. Did you know at the time there was an agreement to supplement his compensation depending on the contributions that he raised?

Answer. No, I did not. I like these questions.

Question. They go much quicker.

Did Mr. Huang ever organize or help to organize fund-raising events for the President—involving the President?

Mr. REED. While he was at the DNC or at any point?

Mr. WILSON. I'll take that at any point first.

The WITNESS. As far as I know, during his tenure at the DNC, he helped organize events that involved the President.

EXAMINATION BY MR. WILSON:

Question. And do you know the period during which he helped to organize fund-raising events involving the President?

Answer. From the time he was hired to the time that he left the DNC. I don't know the exact times of when he was at the DNC.

Question. Do you know whether, at any time during his employment at the DNC, whether he stopped helping to organize fund-raising events for the President, that involved the President?

Answer. Other than the press accounts or from testimony in the Senate hearings, I did not know that he had been redirected to doing other things or was not organizing fund-raisers other than when he left the DNC.

Question. How would you characterize his role in helping to facilitate fund-raising events involving the President?

Answer. I would characterize it as a lead fund-raiser on events.

Question. And what does that mean?

Answer. That means he had at least primary line responsibility for the activities associated with the preparation of those events, both in the raising of money and probably to a lesser extent the event logistics.

Question. Were events—and this is a general question that applies to your knowledge of arranging fund-raising events at the DNC—were events that were to involve the President treated any differently than fund-raising events that didn't necessarily involve the President?

Answer. If they didn't involve the President, the main difference that pops up in my mind is that it didn't involve the White House; therefore, briefings would not go to the White House or it may have, I don't know for a fact if they didn't. And, you know, I mean just in terms of the involvement of the principal or principals, if they weren't involved, then they weren't briefed.

Mr. YEAGER. I think it might help if you broke the question down.

Mr. WILSON. Well——

The WITNESS. I think we went through the same preparations in preparing a nonprincipaled event versus a principaled event. We went through the same briefings and what have you. I just think that the entities that were not present may not necessarily be briefed with the same detail. They may know that we have on our schedule a nonprincipaled event, which they were just aware of, being the White House. But I don't know that there were any other differences associated with that.

EXAMINATION BY MR. WILSON:

Question. Do you recall any things that had to be done if the President was involved in a fund-raiser that just didn't have to be done otherwise? Anything that was specific to Presidential events?

Answer. Nothing comes, you know, comes to mind.

Question. Were you aware—and this is a question directed to the time period before November of 1996—of whether anybody at the DNC had discussions about Mr. Huang's practices or results as a fund-raiser with anybody at the White House?

Answer. No, I was unaware of that.

Question. Did Mr. Huang ever request you to provide him with information about potential donors while he was employed at the DNC?

Answer. Well, I vaguely remember him maybe asking me about an event or schedule of events and what individuals might participate in.

Question. Did you interact with Mr. Huang when he was at the DNC?

Answer. I would make it as comparable to when he was at Commerce. Maybe five times in any real exchange for longer than 5 minutes, 10 minutes.

Question. He had, it is my understanding that he had an office that was not in the main DNC building. Did you ever go to that office?

Answer. With the express purpose of visiting Mr. Huang?

Question. Yes, to visit him specifically.

Answer. No, I did not.

Question. Do you know whether or not Mr. Huang had his own lists of potential contributors to work with?

Answer. I don't know that for a fact. I'd assume in order to do his job that he did, but I don't know that for a fact.

Question. Do you know whether Mr. Huang traveled—and this is again did you know prior to November of 1996—whether Mr. Huang traveled outside of the United States while he was an employee of the DNC?

Answer. I learned from press accounts that he had taken a trip to Taiwan, I believe, to the best of my recollection of that press account, but I do not—I did not know that at the time or even afterwards prior to press accounts.

Question. Do you have any knowledge of anybody discussing Mr. Huang's trip to Taiwan prior to his traveling to Taiwan?

Answer. No.

Question. Are you aware of any discussions between DNC employees involving—whether Mr. Huang solicited contributions while he was in Taiwan, contributions to the DNC?

Mr. YEAGER. I think he's just testified that he didn't even know about the trip to Taiwan, other than press accounts.

The WITNESS. That would be correct, and I don't know what the purpose of his trip to Taiwan was.

EXAMINATION BY MR. WILSON:

Question. When were you first aware of concern that Mr. Huang was raising questionable contributions?

Answer. I was never aware that Mr. Huang was raising questionable contributions. I vaguely remember the first check which began this whole inquiry being a Choeng Am Corporation, which I didn't know was the Choeng Am Corporation at the time. But that they had represented that they were a U.S. foreign subsidiary, and it was later determined that their balance sheet showed no U.S. revenues. And this is all in retrospect and from press accounts, but I vaguely remember I was out in Los Angeles working on an event and the story was also broken out there by the L.A. Times.

So it was a combination of it being raised as an issue that I didn't know the details of and then learning the details in the press account. But it was the nature of the check. It was not, as you characterized it, Mr. Huang raising questionable contributions.

Question. When was the last time you had contact with Mr. Huang?

Answer. It was probably, maybe 2-1/2 months ago, and it came up in the Senate deposition. I was going through a phone bill for a cellular phone and it had fraudulent charges on it so I was going through all the numbers on it to verify what were my calls and what were maybe calls I didn't know and therefore attributed to fraud, and the phone bill was from October through December of 1996, at which point I had made a call to the Huang residence in California when all the news was breaking to wish them well, to suggest that they not worry, but, you know, I hate to see them going through this.

So ironically when I was checking through all of these phone numbers it was the night before I was due to go into the Senate deposition. I reached Jane Huang on the phone to my surprise, and then she asked if I wanted to speak to John. I said sure. John and I expressed pleasantries. I communicated much of what I communicated back in October of '96, and that was the last contact that I had with Mr. Huang.

Question. And when was that?

Answer. I believe it was late May, early June.

Question. And I didn't understand exactly why you made the telephone call. Was your testimony just that you were checking the numbers on the bill?

Answer. I had a phone bill from October of '96.

Mr. REED. With hundreds of numbers on it.

The WITNESS. Yeah, from October '96 through December, maybe even January. And on that bill were—it was like a thousand dollars, which my phone bills are never a thousand dollars. So I had to, for the phone company, delineate what phone calls were mine and which ones weren't. So I was sitting there late at night calling through all the numbers rather than waste time during the day to do that. And one of the numbers was 818-whatever the number is and it turned out to be the Huang residence, which is a call I had made in October of '96 about the time of the press coverage of the Choeng Am check or whatever contribution. And, you know, John being on the front pages and my calling to say I'm sorry that you're having to go through this.

EXAMINATION BY MR. WILSON:

Question. Did you discuss any of the possible subjects of your deposition testimony the following day?

Answer. We did not. And for the record, I contacted my attorney afterwards, and it was ironic that the next day when I was in deposition that was the same question you had just asked me.

Question. Unfortunate timing.

I'd just like to ask you briefly about three specific fund-raising events.

Answer. Uh-huh.

Question. And again this is prior, prior to press accounts about any events involving Mr. Huang. But were you aware of any concerns amongst DNC employees about a fund-raiser held at the Sheraton Carlton on May 13 of 1996?

Answer. I don't have recollection, and my responsibilities in that period were almost exclusively directed at the preparations for the convention, so I doubt that I would have had any ongoing knowledge or even a cursory knowledge of that event, and it doesn't ring out at me at all.

Question. When you were working on convention preparation, did you maintain the same office that you had maintained for the duration of your duties at the DNC, or were you located somewhere else physically?

Answer. I believe from 1995—I've had the same office from 1995 to current.

Question. Again, speaking of contemporaneous concerns, were you aware of any expressions of concern for an event held at the Hsi Lai Temple on April 12, 1996?

Answer. Other than press accounts, I knew nothing about it, before, during, and after until it was done in the press.

Question. Were you aware of any contemporaneous concerns surrounding a fund-raising event held at the Jefferson Hotel?

Answer. I was aware of no concerns, and I may have stopped by that event, if my memory serves me—no, Jefferson? No, in fact I did not attend that event. Sorry. And I don't know any circumstances surrounding that event.

Question. How would you characterize the relationship between Mr. Huang and Charlie Trie?

Answer. Cordial, respectful, and friendly.

Question. Were you aware of their ever having worked together?

Answer. I was aware that they knew of one another. I don't know how they worked together. I know that when John had come to the DNC on staff, that at least to me it was more visible as to how they might work together or participate with one another in support of our activities and the reelection efforts.

Question. Do you recall whether Mr. Huang ever made any requests of you about Charlie Trie?

Answer. I don't believe he did.

Question. When did you first hear of Johnny Chung?

Answer. In the summer of 1994. To the best of my recollection.

Question. When did you first meet Mr. Chung?

Answer. I don't—I don't recall specifically whether it was at the DNC or whether it was at the Sumner Wells event for—that was the Presidential birthday party.

Question. How did you first hear about Johnny Chung?

Answer. I believe through Vida Benavides who was in the political division of the DNC as the Asian Pacific American outreach person.

Question. And what were the circumstances of the contact between you and Ms. Benavides about Mr. Chung?

Answer. I believe it was in connection with the 1994 August Sumner Wells estate fund-raiser.

Mr. WILSON. I've given the witness a document F 0046122. It's a memorandum to Mr. Mercer from Erica Payne from two individuals, Grace Ho and Vida Benavides.

EXAMINATION BY MR. WILSON:

Question. Do you have any recollection of receiving this memorandum?

Answer. Vague recollection, yes.

Question. Do you know why it was sent to you?

Answer. Because I was one of the lead fund-raisers with Erica Payne on the event.

Question. Did you have any discussions with anybody, prior to the fund-raiser being held, about Mr. Chung, apart from the one referred to earlier?

Answer. Maybe to follow this up, or when is this contribution coming in? I don't believe it was $100,000. I think it was anywhere between 60 and 80. And to the best of my recollection, that's what I recall.

Question. Do you know whether you were able to allow Mr. Chung's parents to attend the reception, to attend the event?

Answer. Yeah, I think it is a documented request. People were entitled to bring their quests, and this was just informing us that he was bringing his parents. So, you know, I think we just filed it and included—probably subsequent to this memo asked for the names of them so they could be included on the guest list and coming as Johnny Chung's guests.

Question. Did you ever—have you ever asked for a background check or background research to be done on Mr. Chung?

Answer. No, I have not.

Question. Did you ever have misgivings about Mr. Chung as a contributor?

Answer. I will say that I was struck by his company brochure that included pictures with himself and every Governor of every State in the country, including also the First Lady and the President. I just thought that was odd. But that's the—I believe also just the knack for pictures and pictures and what have you. Those were the two issues that stood out in my mind most.

Question. When did you first see the company literature you were just referring to?

Answer. It could—it was in and around the time of this event.

Question. Do you recall whether Mr. Chung sent you materials about his company in or around the time of this event?

Answer. I don't recall whether it was him sending it to me or me getting it from Vida Benavides or somebody else having it and my seeing it. I'm not sure.

Mr. WILSON. This document has been marked Exhibit DM–23 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–23 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. And how did your relationship with Mr. Chung develop after this, the initial fund-raising event that he attended?

Answer. Keeping in touch, formal, and I don't think we dealt together with any other events or activities.

Question. How often did you speak with him?

Answer. In the 3 years now, maybe five occasions, six occasions. Somewhere in that neighborhood.

Question. Do you recall soliciting any subsequent contributions to the one discussed in the memo we were just reviewing?

Answer. I may have solicited him when I was in California in 1996 in preparation for our unity events in Los Angeles.

Mr. WILSON. I've given the witness a document which is a number of pages long and the first page is marked DNC 1587948. It is a memorandum from Mr. Mercer to Richard Sullivan dated September 14, 1994, regarding the Vice Presidential luncheon list.

EXAMINATION BY MR. WILSON:

Question. And I think the only thing I'll refer to is the two sentences at the beginning which are: "This is the list you requested for the VP luncheon on 9/21. It is a pool of some of the best raisers-writers to draw from. Let's get together to size it down. Thanks for your attention."

When you referred to Mr. Chung as a part of the group some of the best "raisers" and "writers," what were you referring to?

Answer. Probably from this, and not knowing him before the August event, the fact that he raised in the neighborhood of $60- to $80,000 was a good demonstration of abilities as a fund-raiser or capacity to write checks and that therefore he'd be included—I included him on the list of other people that had done comparable or more.

Question. Do you know whether Mr. Chung ever solicited contributions from anybody else for the DNC?

Answer. I don't know that for a fact.

Question. Do you have any general knowledge that Mr. Chung requested contributions from other individuals?

Answer. I don't have any general knowledge. My memory could be refreshed if I saw the checks that maybe were attributed to his fund-raising for the August event.

Question. Do you know why Mr. Sullivan requested the list that you have set down in the memorandum that we are reviewing?

Answer. Other than there being a VP luncheon, the nature of which I was unsure of or I am unsure of, it was, you know—I mean, this business is a business of lists and we were constantly being asked for lists of people to include in activities. So I don't know per se what that is without further information.

Mr. WILSON. This document is marked Exhibit DM–24 for the record.

[Mercer Deposition Exhibit No. DM–24 was marked for identification.]

Mr. REED. Are we still on Johnny Chung?

Mr. WILSON. Yes.

Mr. REED. I was going to suggest that when we finish up Johnny, that we recess and figure out where our schedule was.

Mr. WILSON. I think I probably have 10 to 15 minutes of additional questions on Johnny Chung.

The WITNESS. That's fine with me.

Mr. WILSON. If we could go through that, that would be best.

Mr. REED. Fine.

EXAMINATION BY MR. WILSON:

Question. Did you ever have concerns that the money contributed by Mr. Chung might not be his own?

Answer. No, I did not.

Question. Did you ever arrange for Mr. Chung to meet with any administration or government officials?

Answer. I don't believe I did to the best of my recollection.

Question. Do you know whether he ever made requests of you to help facilitate a meeting with government officials?

Answer. No, I do not recall him making the request or a request.

Question. Did Mr. Chung ever express interest in trade missions to you?

Answer. Not to me, no.

Question. Did Mr. Chung ever mention John Huang to you?

Answer. I may have mentioned John Huang to him, believing that John Huang was a leader in the Asian community and that if he had not met John Huang before or didn't know him, that it might be in his interest to know who he was. For the record, as I would if I met an African American who was involved in the process and didn't know other African Americans, I would introduce them.

Question. Do you have any knowledge of whether Mr. Chung took steps to contact or meet Mr. Huang after this suggestion?

Answer. I do not know.

Question. Do you recall any requests for Mr. Chung to meet with Chairman Fowler?

Answer. I don't recall requests. I vaguely recall that he did meet with Mr. Fowler, but I don't know under what circumstance or under whose auspices that that took place, to the best of my recollection.

Question. Did Mr. Chung ever suggest to you that he would like to meet with Mr. Fowler?

Answer. He may have, but I don't think that I'm the one who initiated the meeting, to the best of my recollection.

Question. Did you ever make a request of any White House personnel on behalf of Mr. Chung?

Answer. Not that I can recall, no.

Question. Did you know, and this again is asking for contemporaneous knowledge—that Johnny Chung and a number of Chinese businessmen attended a Presidential radio address on March 11, of 1995?

Answer. Other than the press accounts, I had no idea that that had occurred.

Question. Do you know of any subsequent conversations prior to press accounts about the March 11, 1995, Presidential radio address?

Answer. No, I do not.

Question. Having subsequently learned about the attendance of the Presidential radio address, did you recognize any of the names of individuals Mr. Chung went to the radio address with?

Answer. If you mentioned a name, I would not know who it was nor could I pick anybody out of a lineup.

Question. Do you know whether Mr. Chung was ever told of outstanding debts from the White House Christmas party?

Answer. Other than press accounts and what's been reported, I had no knowledge of that.

Question. Apart from press accounts, were you ever aware that Mr. Chung spoke with Richard Sullivan about going on a trade mission to China with Secretary Brown and the Department of Commerce?

Answer. I never heard about it in the press and this is the first time I'm hearing it from you.

Question. Did you ever receive requests from Mr. Chung to locate and provide photographs?

Answer. I may have, but I—I don't recall. And I think—I believe it was in this deposition last week that we discussed my going over there on one or two occasions. I can tell you that it wasn't to locate Johnny Chung's photographs.

Question. Have you ever heard of an individual whose name is Sheng Huaran, spelled S-H-E-N-G, H-U-A-R-A-N?

Answer. To the best of my knowledge, I do not know who that is.

Question. Did you ever have any conversations with any of your DNC colleagues about Mr. Chung meeting Secretary of Energy Hazel O'Leary?

Answer. Prior to press accounts, I knew nothing of it. Nor had discussions with anybody.

Question. Do you know what the China Everbright Group is?

Answer. I do not know who the China Everbright Group is.

Mr. WILSON. I've given Mr. Mercer a document which has been numbered DNC 1781646. It is a memorandum for Jennifer Kaas from Mr. Mercer, dated April 18, 1996.

EXAMINATION BY MR. WILSON:

Question. Who is Jennifer Kaas?

Answer. She worked in the Office of the Chairman and at the time it would be Chairman Fowler.

Question. Do you recall preparing this memorandum?

Answer. No, I don't. But it looks like a memorandum from me.

Question. The memo states that the chairman had requested a list of names. Do you know why these names were requested?

Answer. The "re:" reads: Suggested names for special election prospecting, and I believe it was for a special election in that year. Which special election, I don't recall. And a list of those that might be interested in supporting the special election candidate for that race.

Question. And what is referred to by special election in this context?

Answer. Special election, as I know it, would be for somebody who's resigned office and a special election is held to fill the vacancy, but I don't know in what State or what office that was.

Question. Do you remember why you included Mr. Chung's name on this list?

Answer. As it refers to prospecting, I included his name as somebody that would be among the other names of people that might be amenable to doing that.

Question. And do you recall why you included Richard Park's name on this list?

Answer. For the same reason.

Mr. WILSON. This document is marked Exhibit DM–25 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–25 was marked for identification.]

Mr. WILSON. Is it all right it we go off the record?

Mr. YEAGER. Sure.

[Discussion off the record.]

[Whereupon at 1:05 p.m., a lunch break was taken, to reconvene at 1:30 p.m.]

EXAMINATION BY MR. WILSON:

Question. When did you first hear the name Roger Tamraz?

Answer. Maybe just in the office and his name coming up, being on a list, or that he was a major supporter or—but I don't have any specific recollection.

Question. Have you ever met Mr. Tamraz?

Answer. I don't believe I have. I could have met him at a—at an event in New York or here in Washington, but I don't believe I have.

Question. Have you—did Mr. Tamraz ever contact you by telephone?

Answer. Not that I'm aware of, no.

Question. Have you ever arranged introductions for Tamraz to meet government officials?

Answer. Not that I recall or do I believe I was, no.

Question. Have you ever assisted Mr. Tamraz in any way?

Answer. I don't believe I have.

Mr. REED. He meant knowingly.

The WITNESS. Yeah. I mean, knowingly or, you know, to the best of my recollection, no.

EXAMINATION BY MR. WILSON:

Question. Prior to November of 1996, were you aware that other DNC employees were in contact with Mr. Tamraz?

Answer. Not—I did not know that for a fact, no.

Question. Specifically, were you aware of whether Carol Khare was ever in contact with Mr. Tamraz?

Answer. No, I was not aware of that.

Question. Did you ever discuss Mr. Tamraz with anybody at the DNC——

Answer. Quite——

Question. Prior to November of 1996?

Answer. Possibly. But I, other than press reports, didn't know what business he was in or what his interests were or anything of that. But it's not to say that his name couldn't have come up in conversation.

Question. In 1995, prior to the end of 1995, were you ever aware that Mr. Tamraz had met Chairman Fowler in Chairman Fowler's offices?

Answer. I was not aware of that.

Mr. WILSON. I've given the witness a document that's actually five pages. The first page is marked DNC 3116350. The second page is a memorandum, and the third and fourth pages are continuations of the memorandum, and the fifth page is a separate memorandum.

EXAMINATION BY MR. WILSON:

Question. If you would, please, focusing on the memorandum on the second page of what I've given you, it's to Don Fowler from an individual named Alejandra Castillo, dated July 12th, 1995, regarding a meeting with Roger Tamraz. Have you—have you ever seen this memorandum before?

Answer. No, I have not.

Question. Do you recall whether you had any conversations with either Ms. Castillo or Ari Swiller in July of 1995 about Roger Tamraz?

Answer. I don't believe I did.

Mr. WILSON. This document has been marked Exhibit DM–26 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–26 was marked for identification.]

Mr. REED. Just note for the record, just to follow up on an objection that Mr. Yeager made last week, that we're not objecting to your inclusion into the record of documents that David can't identify or he's never seen before, but the record should be absolutely clear that you're including it for whatever purposes you have indicated, among those to permit Mr. Mercer to review them in connection with his review of his own deposition. So I want to make it clear he doesn't know anything about that document.

Mr. WILSON. Sure. Since the deposition began last Thursday, I have made a decision to include everything that I use in the record, simply as a convenience to refer to for anybody who's reviewing the deposition.

Mr. REED. That's fine.

EXAMINATION BY MR. WILSON:

Question. Actually, just turning attention again, before we put the memorandum away, it mentions during the body of the memorandum problems that Mr. Tamraz

was having with the international business community. Were you ever aware, prior to media accounts in late 1996, of any problems that Mr. Tamraz was having with the international business community?

Answer. Prior to media accounts, I have no recollection or do I believe I knew of any international business dealings as may be mentioned here in the memo.

Question. Are you—did you participate in any discussions during which Mr. Tamraz's potential participation in a Commerce Department Trade Board was discussed?

Answer. No, I was not.

Question. Actually, if we could turn to the final page of the materials that I've given you with this last exhibit, there's a memorandum for Roger Tamraz for Richard Sullivan and Ari Swiller dated March 28th, 1996. Were you aware in 1996, prior to November of 1996, of any contributions that Mr. Tamraz made to either State Democratic parties or State political candidates?

Answer. This is the first time I'm seeing this memo. However, I think there were press accounts regarding contributions to the Virginia State Democratic party, as is indicated here on the 7/19/95 entry. But that's what I know of it, being a State—the Virginia State Democratic party. And that's what I knew as is reflected here.

Question. Did you ever participate in any discussions wherein people were discussing Mr.—potential contributions to State parties by Mr. Tamraz?

Answer. No, I was not.

Question. The memorandum that we have reviewed from Ms. Castillo to Chairman Fowler, do you have any knowledge of whether anybody in the DNC, apart from Mr. Fowler, received this memorandum? And apart from the two courtesy copy names mentioned at the end of the memorandum, do you have any knowledge that anybody else received this memorandum?

Answer. I do not have any independent knowledge.

Mr. REED. Do you have knowledge that Mr. Fowler received the memorandum?

The WITNESS. No I do not.

EXAMINATION BY MR. WILSON:

Question. Did—do you know whether Chairman Fowler ever offered assistance to Tamraz in meeting with Federal officials?

Answer. No, I do not, other than what has been recorded in the press.

Question. Do you know Eric Hotung?

Answer. Yes, I do.

Question. When did you first meet Mr. Hotung?

Answer. I don't have a specific recollection. I think it was in the—it was in the last year and a half, 2 years, maybe.

Question. Did you ever contact Mr. Hotung to ask for a—contributions to the DNC?

Answer. No, I did not.

Question. Do you have a general recollection of how you initially met?

Answer. I may have been introduced to him by Pat O'Connor.

Question. Do you have any recollections of Mr. O'Connor contacting you regarding Mr. Hotung?

Answer. Yes, I do.

Question. And why did Mr. O'Connor contact you regarding Mr. Hotung?

Answer. I believe it was referring to a meeting that had been arranged for him to be introduced or to meet Mr. Berger, Sandy Berger.

Question. Do you know why Mr. O'Connor contacted you about this meeting?

Answer. I've been associated with Mr. O'Connor before, so I have worked with him before. And I don't know what his frame of mind was or what motivated him to contact me. I can only assume that he knew me and brought it to my attention. Why he did to the exclusion of others or if he, in fact, did contact others, I don't know. But I don't know his frame of mind. I can only make assumptions about it.

Question. When—you just mentioned a moment ago that you've been associated with Mr. O'Connor prior to this particular communication. What did you mean by that?

Answer. I meant that, as a supporter of the DNC, Mr. O'Connor was actively involved with us and that I had known him prior to his mention of Eric Hotung.

Question. Just generally speaking, what types of matters had you and Mr. O'Connor discussed, aside from anything involving Mr. Hotung?

Answer. We would discuss visits maybe to the Chairman or events that may be held in Minneapolis and them having a long tradition of supporting Democrats in Minneapolis and Minnesota. We would—they would be a point of contact, as others were. And then, on another matter regarding Indians and the conversion of a dog

track to a gaming casino, the purchase by the Delaware company to another group of Indians that would convert it to a dog track and the concern by Indians in Minnesota being—having a concern that the development of that casino would affect their gaming business. And other matters that I was not fully detailed or had detailed information about.

Question. What clients did Mr. O'Connor represent, to the best of your recollection?

Answer. I do not know the answer to that. I don't know for sure his relationship with Hotung, the Indians or who else he may represent for clients.

Mr. WILSON. I've given Mr. Mercer a document which appears to be a photocopied page of telephone call slips. It's been marked F 0040703.

And the call slip second from the top is to Pat O'Connor from David Mercer, and it mentions two things. One is—first is wants David Mercer to follow up with him in relation to Hotung's several items. And the second is meeting with Don and Patricia Hotung.

Do you know whether you called Mr. O'Connor—first of all, do you know whether you received this call slip?

Answer. I don't believe I received the call slip. I believe that I got an indication that he had called, but I don't—into the Chairman's office as opposed to calling me direct and being informed that he had called. But I don't know if it was related to this matter or at another time that he had called.

Question. Do you know whether you called Mr. O'Connor back?

Answer. Precipitated by this particular call message, I don't know if that's the case. But it's not to say that I, as stated earlier, did not have conversations on items as may be broadly described here.

Question. Focusing on the first item described in the phone message, following up in relation to the Hotungs several items, do you have any recollection of—of what this might have entailed?

Answer. I don't have a recollection, but it might have entailed the Sandy Berger meeting. It might have entailed them participating in an event, but I don't know.

Question. Were you aware of a meeting taking place between Chairman Dodd and Patricia Hotung?

Answer. To the best of my recollection, I don't recall that ever happening, or I don't remember the request as it's indicated here.

Question. Do you know Patricia Hotung was to meet with Chairman Dodd?

Answer. No, I do not.

Question. Did you arrange a meeting between Chairman Fowler and the Hotungs on September 14 of 1996?

Answer. Not that I recall or—nor do I have a recollection of being in the meeting or making those arrangements, no.

Question. Did you ever attend any meetings with either of the Hotungs and Chairman Fowler?

Answer. Not that I can recall, no.

Question. Did you ever discuss the Hotungs with any governmental officials?

Answer. I don't believe I did, no.

Mr. REED. I assume the question was designed to mean in connection with their official capacity as opposed to——

Mr. WILSON. Actually, I—I will leave it very broad. I'm just trying to eliminate possibilities, whether you had any conversations about the Hotungs with anybody that was employed by the government in any guise or capacity.

The WITNESS. Other than being with Mr. Hotung and Mr. Simonton at the time that they—not they but Eric Hotung had seen Mr. Berger. And I may have introduced the two, but I don't have recollection of it, but I may have done that. I don't know.

But, other than that, I have—I did not make calls, I don't believe, to set up the introduction or anything like that. But I was present when—when—at least I saw them talking for anywhere from 8 to 10 minutes.

Mr. WILSON. This is submitted into evidence. It's been marked Exhibit DM–27.

[Mercer Deposition Exhibit No. DM–27 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know whether the Hotungs ever attended a White House dinner?

Answer. I vaguely remember that I may have seen them on a list; but I don't know if, in fact, they attended a dinner or not.

Mr. WILSON. I'm giving the witness a memorandum that's been marked DNC 3020787. It's to Chairman Fowler from David Mercer, dated September 14, 1995, regarding a meeting with Mr. and Mrs. Eric Hotung.

EXAMINATION BY MR. WILSON:

Question. Having looked at this memorandum, do you know whether you organized the dinner between the Hotungs and the President and Mrs. Clinton on Friday of September 15th?

Mr. REED. I'm going to object to the form of the question—organized the dinner. I know what you're getting to. I think you might want to restate it, though.

Mr. WILSON. Yeah. Let me, obviously, back up.

EXAMINATION BY MR. WILSON:

Question. The memo refers to a White House dinner purportedly for September 15th of 1995 with Pat O'Connor involving the President and Mrs. Clinton. Did you have any involvement with helping to organize such a dinner?

Answer. I did not organize the dinner with the President and Mrs. Clinton. However, I may have included them on the list of people who were attending; and that was in conjunction with Richard Sullivan.

Question. Do you know what type of a dinner this was?

Answer. I do not know.

Question. Was it a—an event for a small number of people or was it a large number of people?

Answer. I don't know. For the record, I wasn't present at the event; and I don't believe I was in town at the time of the event.

Question. And the concluding paragraph of the memorandum, it states, we will be helping to set up a meeting with the Hotungs at the National Security Council, hopefully with Sandy Berger. Who do you recollect the "we" refers to?

Answer. It may have been—I don't know for a fact who the we refers to, whether it's we, DNC, or we the DNC, Pat O'Connor, et al. Or—I don't have a recollection of that. I think I'm passing on information that maybe was shared with me by Pat O'Connor and his making arrangements, but I don't know for sure that that's the case.

Question. Did you request Chairman Fowler to contact the National Security Council to help set up a meeting with Sandy Berger?

Answer. I don't believe that I did that. Again, as is pointed out here, I think I made reference to information that I had; and I don't know that I particularly requested of Mr. Chairman—Chairman Fowler—of Chairman Fowler to set up that meeting.

Question. Where did the idea for a meeting with Sandy Berger originate?

Answer. I—to the best of my recollection—and I'm not all too clear—I'm assuming that it came from Pat O'Connor.

Question. Do you recall either Mr. or Mrs. Hotung ever asking you to help to set up a meeting with Sandy Berger?

Answer. I recall that neither of them ever did that.

Question. And do you know why Mr. O'Connor was interested in having the Hotungs meet with Sandy Berger?

Answer. I am not fully aware of why he would want that to happen or what his discussions with the Hotungs would have been in pursuing that interest.

Question. Do you have any general understanding of what this meeting was to be about?

Answer. I, sitting from a nonpolicy standpoint and position, assumed that he, being a British citizen and from Hong Kong, could give some insight as to the transfer from a British government or British possession to—back to China. But I don't know that for a fact. I was only assuming that, given the facts.

Question. Do you know whether a meeting between the Hotungs and Sandy Berger actually did take place?

Answer. As I alluded to earlier, Sandy Berger had sat in the vestibule or area, as I can best recall, for about 8 to 10 minutes with Mr. Hotung as a courtesy and heard him out; and then they left.

Question. And where did this occur?

Answer. Outside of the Roosevelt room, I believe.

Question. And were you there at the time?

Answer. I was there at the time.

Question. Who else was in attendance?

Answer. Mr. Simonton, who I believe was also affiliated with the law firm of O'Connor and Hannon, to which Mr. Pat O'Connor is a partner.

Question. Was Mr. O'Connor in attendance at this——

Answer. No, he was not.

Question. The memorandum indicates that the Hotungs will be contributing $100,000 to the DNC. Do you know whether anybody at the DNC asked them to contribute $100,000 to the DNC?

Answer. I think Pat O'Connor informed us that they would be contributing. And I was sharing that with Richard Sullivan, as I believe I was traveling at the time and, therefore, was not around when the actual contribution was made. So I don't know that he was asked per se, other than knowing that Mr. O'Connor had informed us that they were doing so.

Question. Did you or the Hotungs ever discuss with the White House—I ask you if you just strike that, please.

Did you or the Hotungs discuss these meetings with the White House or the NSC or other officials before you knew that there might be a political contribution?

Answer. Can you repeat the question?

Question. Sure.

Mr. WILSON. I'll ask you to read the question, if you wouldn't mind.

[The reporter read back as requested.].

The WITNESS. No, not to my knowledge.

EXAMINATION BY MR. WILSON:

Question. The memorandum states that Mr. Hotung is a British citizen that lives in Hong Kong. Do you recall how you knew this at the time?

Answer. I don't recall, but I'm assuming it came to me from Pat O'Connor.

Question. Do you know whether Mr. O'Connor provided any biographical information on the Hotungs to you?

Answer. He or Patricia's staff from New York may have sent me a bio.

Question. Did you have any contacts with either of the Hotungs after the meeting with Sandy Berger?

Answer. I don't believe I have, except I may have called to their New York home or office—I'm not sure which it is—to inform them maybe about the convention activity or, you know, some general operating business. But I don't recall on, you know, beyond that, any other exchange. And I never actually spoke to Mrs. Hotung; and I don't believe I've spoken with Mr. Hotung directly at any time subsequent to that or, for that matter, whether I did before other than to meet him.

Question. Did you ever request any additional biographical information apart from that which you mentioned might have been sent to you by the Hotungs?

Answer. Did I get more information other than the bio?

Question. Yeah.

Answer. Not that I know of or not that I—no. No.

Question. On the—the bottom of the memorandum that we've been reviewing, there is what—there is a handwritten note, which appears to state: Checks coming tomorrow. Do you recognize this handwriting?

Answer. I do not.

Question. Do you have any knowledge as to what this refers to?

Answer. No, I do not.

Mr. WILSON. This document has been marked Exhibit DM–28 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–28 was marked for identification.]

Mr. WILSON. I have given Mr. Mercer a three-page document. It's titled: Richard Sullivan Call Sheet. The first page is marked DNC 3124452.

EXAMINATION BY MR. WILSON:

Question. And I would like to refer specifically to the second page of this March 27, 1996, call sheet, which indicates that there are two calls from Mr. Mercer to Mr. Sullivan. The first was placed at 12:35; and the list says, please call, it's urgent. And the second is less than—3 hours later, and reads, please have Thomann stay off Hotung. Pat O'Connor will tell us when money is coming in.

Do you know what these messages refer to?

Answer. The first one, I don't know, although I was working on a—an event in New Orleans. And, as in many instances, there's issues that have to be dealt with and communicated back to the home office; and so it could be that.

Or, with regard to the second message at 3:15, I believe that Mark Thomann, one of our fund-raisers, may have been in Minneapolis at that point or Minnesota and was soliciting the Hotungs; and I was suggesting to Richard that he let them know that they were simultaneously already involved with donating back in Washington.

And I may have gotten a call from Pat O'Connor letting me know that and me communicating that to Richard Sullivan.

Question. And what was the substance of the conversation between Mr. O'Connor and yourself?

Answer. I don't recall. I'm only gleaning that from—gleaning that from the message and note here.

Question. Do you—do you know whether Mr. O'Connor conveyed the Hotungs' contribution to the DNC or whether it was the Hotungs who conveyed their contribution to the DNC?

Answer. I don't know for a fact because I wasn't there. I don't have a recollection—I know it was conveyed into DNC; but who actually did the conveying, I'm not sure.

Question. Do you know whether Mr. Thomann had any other contacts with the Hotungs other than the one that's apparently referred to here?

Answer. I don't know, and I don't know for a fact that he had contact with the Hotungs in this instance as well. It could have been very well contact with Pat O'Connor, but I don't know—regarding the Hotungs.

Mr. WILSON. This document has been marked Exhibit DM–29 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–29 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know James Riady?

Answer. I know the name, and I may have met him on two or three occasions.

Question. Do you recall when you first might have met him?

Answer. I might have met him in 1993 as he was coming into an event, but I'm not altogether sure. It just would seem like a possibility. But I'm not sure that he actually attended, but I just have a vague recollection of that.

Question. And do you know what that event was?

Answer. It was the one we discussed earlier regarding the Creative Artist Agency event in 1993.

Question. And what gives you the sense that you might have met him at that time?

Answer. Because John Huang I know was there, and I just somehow—I didn't see John standing alone. And just what I can envision as we sit here, I would think that Mr. Riady was there, and I may have shaken his hand as he was going to the door.

Question. And do you recall subsequent occasions of meeting Mr. Riady—James Riady?

Answer. I—the next time I believe I saw Mr. Riady was in 1996 at a—maybe a September event at the Sheraton Carlton Hotel.

Question. And were there subsequent occasions on which you met Mr. Riady—James Riady?

Answer. Subsequent to 1996?

Question. To 1996.

Answer. No.

Question. Have you ever met Mr. Mochtar Riady?

Answer. No, I have not.

Question. Have you ever spoken with him?

Answer. I've spoken with neither Riady on the phone or—other than saying hello, how are you, and that's it.

Question. Did you ever arrange introductions for the Riadys to meet with government officials?

Answer. No, I did not.

Question. Did you ever receive any requests for your help to facilitate or help organize meetings between either James or Mochtar Riady and any government employee?

Answer. I don't believe I did.

Question. Have you ever met Arief or Soraya Wiriadinata?

Answer. I do not believe that I have. If you told me who they were and had them in front of me, I'm not sure I could say I've seen them before.

Question. Do you recall ever having spoken with them on—either one on the telephone?

Answer. I don't recall.

Question. Do you recall ever soliciting contributions from either Mr. or Mrs. Wiriadinata?

Answer. I don't believe I've—having not talked to them on the phone or seen them in person, I don't believe I've ever solicited them personally for contributions.

Question. Apart from media commentary on the Wiriadinatas, are you aware of any of your DNC colleagues soliciting contributions from the Wiriadinatas?

Answer. No I'm not aware, except for maybe John Huang did, but I don't know.

Question. Were you aware of contributions made by them at the time that the contributions came in?

Answer. Could you repeat the question?

Question. Yeah. Were you aware of contributions made by either Mr. or Mrs. Wiriadinata at the time that the contributions were made?

Answer. There was one occasion that I know that they made a contribution, I think, around the '93—around the year of 1993; and then I'm not sure if it was '94 or '95 that they made a subsequent contribution. And I believe I was aware of that contribution coming in at that time.

Mr. WILSON. I've given Mr. Mercer a document which is numbered DNC 1227446, entitled DNC Finance Executive Summary, dated 11/1/96.

EXAMINATION BY MR. WILSON:

Question. And it pertains to Arief Wiriadinata. And the very last entry in a list of entries of what appear to be contributions is one for November 9, 1995, listing a $15,000 contribution; and the fund-raiser is listed as David Mercer. Do you know why you're listed as the fund-raiser in this instance?

Answer. The check coming in to me and either me filling out the check tracking form or somebody else filling out the check tracking form and that being used to key punch in as to generating the report.

Question. Having looked at this document, do you have any recollection of the November, 1995, contribution being made to the DNC?

Answer. Other than documents that have been presented to me prior, I was not aware or would I have been able to recall that the—that my name was associated with the Wiriadinata contribution. I had a cursory involvement with, I believe, the November 9th, '95 fund-raiser and that myself, in addition to others working on the fund-raisers, were named as associated with that event.

Or I could have received the check knowing that I didn't know if they were attending the event or if that was a contribution that I had associated with them being tied to, so I filled out the tracking form or somebody else did using my name. So I'm not sure which is——

Question. Do you know who else was involved in helping to organize the November 9, 1995, fund-raiser event?

Answer. To the best of my recollection, it could have been Mona Pasquil and—and Sam Newman.

Question. Did you ever ask anybody to provide background information on either Mr. or Mrs. Wiriadinata?

Answer. I did not. But I'll state also for the record that them having been prior contributors I assumed—the thought or the question of asking for background information just never even occurred because of prior contributing.

Question. Just facially looking at this document, the first contribution listed on the document we're examining is the one made on November 9 of 1995. Were you aware of earlier contributions at the time of this contribution?

Answer. I believe the Wiriadinatas I thought had contributed prior to 1995. And that's the recollection I have. And it could be under a corporate name or something else, but I don't know. I don't know why it wouldn't be or whether or not there's another page to this or—I'm just not sure. It just sticks in my mind as them having contributed before.

Question. Do you know whether either Mr. or Mrs. Wiriadinata ever contacted you after the November 9, 1995, contribution had been made?

Answer. I am, to the best of my recollection, not aware that they tried to contact me.

Question. Are you aware of any requests made by either of the Wiriadinatas to other DNC officials?

Answer. No, I'm not.

Question. Do you know of any DNC official seeking to facilitate visits to the White House by the Wiriadinatas?

Answer. No, I'm not.

Question. Do you know whether Mr. Wiriadinata ever attended a movie at the White House?

Answer. No, I am not aware of that.

Question. This document has been marked Exhibit DM–30 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–30 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. When did you first hear the name Yogesh Gandhi?

Answer. It had to be with a name—that name, it had to be in the press.

Question. Do you recall, prior to press accounting of Mr. Gandhi's political contribution, ever having spoken to him or met him?

Answer. No.

Mr. WILSON. I've given Mr. Mercer a letter that has been marked EOP 05587. It's a letter to President Clinton from an attorney whose name is Richard C. Agins, A-G-I-N-S. It's dated August 14, 1996. The single-page document does not have Mr. Mercer's name on it.

This—I'll give you a moment just to review this.

EXAMINATION BY MR. WILSON:

Question. This letter discusses a purported arrangement between Chairman Fowler and an organization wherein Chairman Fowler had promised two videotaped addresses in exchange for $50,000. Do you know of any such promise made by Mr. Fowler?

Mr. YEAGER. I think I have to object to your characterization of a letter. I think the letter speaks for itself.

Mr. WILSON. Well taken.

EXAMINATION BY MR. WILSON:

Question. Do you have any knowledge of any of the issues discussed in this letter?

Answer. Yes, I do.

Question. Do you know of—of a dispute involving—do you know any of the background of the dispute that's described in this letter? And, if so, what is the background?

Answer. Yes, I am aware of the background. And we were introduced to the—a representative or actually the president of Hermes Enterprises—his name is slipping me now—who was introduced to us maybe I think by a Christine Warnke of Hogan & Hartson, with the idea that he was interested in becoming a member of our trustee or major supporters program.

Upon meeting Mr. Fowler, he had asked or made a request of the—of a videotape with Mr. Clinton featured in it to the Greek American community; and it was not anything tied to the contribution although, as this letter states, in his mind he saw the two things locked.

I first—it was first communicated to me by phone by, I think his name is John Kalargios, spelled K-A-L-A-R-G-I-O-S; and it was kind of shocking that he was wanting to have a return of the contribution because we could not facilitate the production of videotapes, which were never promised, but conveyed that we would make a request and to see about the feasibility of doing so.

This letter seems to be a follow-up, which I have never seen, to that background information that I've just described here.

Question. What did Mr. Kalargios tell you that Mr. Fowler had promised him?

Answer. Well, I believe I was in the meeting; and he had made the request for a videotape to the Greek American community, him being a member of the Greek American community.

I believe Mr. Fowler sought or I may have sought to see what the feasibility of getting a tape made, and it wasn't feasible, communicating that to Mr. Kalargios as well as to Ms. Warnke and letting them know that, you know, these things aren't—you know, one, we're not in control of the circumstances, so we can't speak to that. And, you know, if you gave the contribution based on that, then, you know, as far as I was concerned, return the money and let them be—you know, what he—proceed as he wants to.

Question. You've—you just referred to a meeting that took place. Who—who attended the meeting that you referred to?

Answer. I believe it was myself, Don Fowler, Mr. Kalargios, and I am not sure that Christine Warnke was there, but I believe she was.

Question. And do you recall when that meeting took place?

Answer. I believe it was in December of 1996—excuse me, December of 1995.

Question. Do you know if any videotape of any sort was provided for the Hermes organization?

Answer. No, it was not—to the best of my knowledge.

Question. This document has been marked Exhibit DM–31 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–31 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know Ramesh Kapur?

Answer. Yes, I do.

Question. When did you—have you ever met Mr. Kapur in person?

Answer. Yes, I have.

Question. Where did you first meet Mr. Kapur?

Answer. I don't recall when the first time I met him is. Suffice it to say, though, I've known of him or I've known him or seen him over the last 2 or 3 years.

Question. Do you know of any efforts to organize a meeting between Mr. Kapur and any government official?

Answer. No, I don't.

Question. Are you aware of Mr. Kapur ever having met with Roger Johnson at any time in 1995 or 1996?

Answer. It's the first time I'm hearing it.

Question. Do you know an individual named Monsoor Ijaz?

Answer. Ijaz?

Question. Ijaz.

Answer. I know the name. I don't know what he looks like, nor what he does or who he is.

Mr. REED. How do you spell that last name?

Mr. WILSON. I-J-A-Z.

The WITNESS. I thought it was A, but——

EXAMINATION BY MR. WILSON:

Question. Do you know whether he made any contributions to the DNC?

Answer. I'm assuming, hearing of him in my department or seeing the name, that he was probably a major supporter of ours; but I don't know when he made contributions and what he participated in.

Question. Do you have any knowledge of whether Mr. Ijaz met with government—any government officials in 1995 or 1996?

Answer. Not to my knowledge.

Question. Do you know who George Chu is?

Answer. Yes, I do.

Question. Do you know what his occupation is?

Answer. Not per se, no. Some counsel or—I'm not sure what his—I know he chairs or is president of some entity, the interest of which I don't know.

Question. Did you ever solicit contributions from Mr. Chu?

Answer. Yes, I did. In the winter—in the early part of 1997.

Question. Did you have any interaction with Mr. Chu before November of 1996?

Answer. I don't believe I did, no.

Question. Do you know either Jim Irwin or Joseph Ruggiero of the IMPAC organization?

Answer. The names again.

Question. Jim Irwin or Joseph Ruggiero from the IMPAC—I-M-P-A-C—organization?

Answer. Is that out of New York?

Question. I actually don't know where it's——

Answer. There's a Ragio. I don't know if that's a misspelling, but——

Question. I do know the spelling of the name is R-U-G-G-I-E-R-O.

Answer. I don't know who that is.

Question. Do you have any knowledge of a meeting between Chairman Fowler, John Huang and Ambassador March Fong Eu in April of 1996?

Answer. No, I do not.

Question. Do you know March Fong Eu—Ambassador March Fong Eu?

Answer. Yes, I do.

Question. When did you first meet?

Answer. I think I first met her in the fall of 1996, although I had heard about her I think before that.

Question. What were the circumstances of you meeting her?

Answer. In participating in one of our unity events in the fall, I believe it was October, of 1996.

Question. And do you know whether she did participate in this event?

Answer. She did participate.

Question. Did you have conversations with her about participating in the unity event?

Answer. I don't think I did directly with her, most likely with David Lai, although I did talk to her briefly at the event.

Question. Who is David Lai?

Answer. He's an associate of Ms.—or Ambassador March Fong Eu's. In what capacity, I'm not sure.

Question. Do you know if Ambassador March Fong Eu ever provided fund-raising names to the DNC?

Answer. I don't know if she provided names. I know that, from David Lai's representation, that she was active in helping us raise funds. Whether—I don't know if she actually solicited them or what have you, but she represented those that did contribute and was attending as a part of that and may have written her own check. I'm not sure.

Question. What did David Lai tell you she was doing to help raise funds for the DNC?

Answer. I don't think he was specific as to the people she was calling or how she was calling.

My conversations with David Lai were the logistics of the event—when to come, all that business, and the names of the people that would be on the guest list and the amount of money that would be forwarded to the DNC.

Subsequent conversations have had to deal with wanting to meet with the current chairman, given the Asian community's sensitivity to the inquiries over the last 8 months.

Question. And when have these subsequent conversations taken place?

Answer. Probably April or May I received my first call from David Lai expressing an interest and communicating the sorrow and the grievance of the Asian American community with regard to the inquiries made and targeted to the Asian American community.

Question. And is that April and May of 1997?

Answer. That's correct.

Question. Okay. You stated earlier in this deposition that you've—you knew Secretary Ron Brown since your childhood. Did you have regular contacts with Secretary Brown while he was at the Department of Commerce?

Answer. No, I did not.

Question. Did you ever discuss trade missions with Secretary Brown?

Answer. Never.

Question. Do you know Michael Brown?

Answer. Yes, I do.

Question. How do you know Michael Brown?

Answer. I believe the first time I met Michael Brown was when we were both working on his father's campaign to be the first African American Chairman of the DNC.

Question. And when was that?

Answer. That would have been in 1989, '90.

Question. How often did you speak with Michael Brown during 1996—prior to November of 1996?

Answer. Can you repeat the question?

Question. Yeah. How often do you recall speaking with Michael Brown in 1996—prior to November of 1996?

Answer. So you're asking me within the year of 1996 how often we would be——

Question. Uh-huh.

Answer. Maybe, I don't know, anywhere between 5 and 10 times, 10 times being the high end—if at all.

Question. Are you still in regular contact with Mr. Michael Brown?

Answer. I wouldn't call it regular contact, but I call it familiar contact.

Question. Are you familiar with an organization called America's Fund?

Answer. Yes, I am.

Question. What is America's Fund?

Answer. America's Fund was started as a—following the paradigm of Emily's List, being that there were no comparable organizations. As Emily's List is to women, what America's Fund would like to be to the African American community in supporting African American candidates that were responsive to the—the urban policy needs of—concerning urban issues.

Question. When did you first become familiar with America's Fund?

Answer. Probably in 1993 or 1994. I attended a reception on Jackson Place, which could have been the kickoff to it, but I'm not sure if it was a kickoff or just an annual event.

Question. Are you aware of any meeting between Michael Brown and Chairman David Wilhelm at the DNC?

Answer. Vaguely. I know Ron—I mean Michael has met with probably Chairman Fowler, and I know he's met with Chairman Grossman, excuse me, regarding America's Funds and—America's Fund and ideas. But it was a nonpartisan organization; and thought was given to whether or not they would change their charter to a partisan organization, which is currently what it's doing now is determining whether or not it's becoming a partisan organization as opposed to a nonpartisan organization, supporting Republicans and/or Democrats.

Question. What is Michael Brown's role in America's Fund? What was it when you first became aware of America's Fund? What is it now?

Answer. I believe a board member.

Question. Do you know who else—other board members of America's Fund?

Answer. Jeff Scruggs. Brian Mathes is the founder. I think America's Fund was based on a thesis he wrote while at the Harvard Business School or Harvard Law School. Carolyn—Carol Crawford. And off the top of my head the other names are not coming to me.

Question. Did you arrange the meetings you described between Michael Brown and Chairman Wilhelm and then later Chairman Fowler and Grossman?

Answer. I believe that Michael can call any chairman, given that his dad was a chairman, and they would be receptive to meeting them. I think I was then later informed that he was meeting and either I would participate or it was just an FYI.

Question. Did you attend Michael Brown's meeting with Chairman Wilhelm?

Answer. I don't recall doing so, but it's quite possible I did.

Question. Do you recall whether you attended Michael Brown's meeting with Chairman Fowler?

Answer. The answer would be the same. I could have, but I don't recall doing so.

Question. Do you know if he had more than one meeting with Chairman Fowler?

Answer. I don't know how many meetings he's had, off the top of my head.

Mr. REED. And do you recall whether you attended Mr. Brown's meeting with Chairman Grossman?

The WITNESS. Yes, I do.

EXAMINATION BY MR. WILSON:

Question. And did you attend?

Answer. Yes, I did.

Question. Was there more than one meeting with Chairman Grossman?

Answer. I think this was one I did attend, and there may have been another subsequent meeting, but I'm not sure of that.

Question. And what was the substance of what was discussed in the meeting with Chairman Grossman, to the extent you remember?

Answer. It was about America's Fund and where it's heading and an update on that; the contemplation of maybe becoming a Democratic PAC, if you will, as opposed to a nonpartisan PAC; the Chairman's storytelling about his relationship with Michael Brown's father and—and that being the to-do with the Chairman's support of Ron Brown during his candidacy for the chairmanship back in '89 when I believe the current chair was then at that time the State chair of Massachusetts. And then, also, picking Michael's brain for outreach to the African American community, what we can be doing better, how we reach the generation coming up, the kind of staffing at the DNC.

Question. Did the DNC ever make contributions to America's Fund?

Answer. We did not, as far as I am concerned or know.

Question. In any of the meetings that you participated in with Michael Brown at the DNC, were Gene or Nora or Trisha Lum ever discussed?

Answer. Not to my knowledge. The only time I knew of the Lums was through the papers and I met the two daughters at a wedding in Chicago.

Question. Whose wedding was it that you met the daughters at?

Answer. It was at Michael Frazier and Carla Dibble's wedding.

Question. Did Michael Brown ever discuss with you his position as president of Dynamic Energy Resources?

Answer. Only that he was going to that company, I believe, or was leaving or something. But it was in general reference. I didn't—I didn't know at the time who, who they were or what the company was.

Question. Did he ever discuss his relationship with Gene or Nora Lum with you?

Answer. We had dinner probably 3 months ago, and only mentioned that they were, you know, about the FBI deal, which I can't even recall what he told me, but

it was only that, you know, that they were talking to the FBI, but I don't know what juncture, whether that was when they pleaded or what. But it was very brief.

Mr. WILSON. I've given Mr. Mercer a multipage document; the first page is DNC 3025392. This includes Chairman Fowler's schedule for July 12, 1995. And on the second page of the schedule at 11 a.m. there is reference to a meeting with Michael Brown, Minyon Moore to attend this meeting.

EXAMINATION BY MR. WILSON:

Question. Do you know whether you attended this meeting as well?

Answer. I—I can't recall if I did or not. Nothing is striking me that——

Question. Do you recall attending any meetings with Chairman Fowler during which an individual named Alex was in attendance?

Answer. I believe—I mean Alejandra Castillo could be referring—this could be a reference to Alejandra Castillo. I mean, that's my only feedback.

Mr. WILSON. This document's marked Exhibit DM–32 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–32 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know either Nora or Gene Lum?

Answer. I do not.

Question. Have you personally met them at any time?

Answer. I don't believe I have.

Question. Do you know an individual named Al Wong?

Answer. Al Wong?

Question. W-O-N-G.

Answer. Not off the top of my head, no.

Question. Prior to November of 1996, did you ever discuss either Nora or Gene Lum with anybody at the DNC?

Answer. I'm sure with the press accounts, and being that given within the campaign finance stuff and them being, you know, high profile, that there had to be conversation in the halls or in the offices about, you know, getting the clips, reading the clips and going, Wow, the Lums——

Question. But prior to any press discussion of the Lums, do you recall any conversations with colleagues at the DNC about Nora or Gene Lum or Dynamic Energy Resources?

Answer. No, I don't. Well, let me qualify that and say that I can't recall—I knew that they participated in the convention gala, the last night of the convention. But I believe I only knew that after press accounts were asking us for what they did to participate in the gala. But I could have known, even though I had nothing to do with the gala preparations at the convention, I could have known but I'm not recalling that they participated but I never saw them in Chicago, and I didn't, you know.

Question. Has Michael Brown ever discussed with you his business activities in Oklahoma?

Answer. Never.

Question. Did you recommend to the Lums or anyone associated with the Lums that they donate to a specific campaign or event?

Answer. Never.

Question. Do you know an individual named Ray McClendon?

Answer. Yes, I do.

Question. Who is Mr. McClendon?

Answer. Mr. McClendon is a partner in the firm of Pryor, McClendon, Counts, et al, an investment banking firm, one of the minority—top 10, I believe, minority banking firms.

Question. Did you arrange a meeting between Chairman Fowler and Mr. McClendon in late 1995?

Answer. From the tone of the question, I presume I did.

Question. I'm actually, to be perfectly honest, not sure. Although I will give you a document that maybe will refresh your recollection a little bit.

Mr. WILSON. I've provided Mr. Mercer with a document that's marked DNC 3021859. It's three pages in length with three separate documents. The first page is titled, "Memorandum for Chairman Fowler."

If you could take just a moment to review this.

Question. Do you recall preparing this memorandum?

Answer. I don't recall specifically but I know—I believe it is a memorandum that I prepared for Mr. Fowler, yes.

Question. Do you know whether a meeting between Mr. McClendon and Mr. Fowler did take place?

Answer. I believe it did, to the best of my recollection.

Question. Did you attend a meeting between Mr. Fowler and Mr. McClendon?

Answer. I'm assuming that I did, but I don't know for a fact that I did. I believe I did, though.

Question. Do you have any recollection of anybody else who might have attended a meeting between Fowler and McClendon?

Answer. The recollection that I have is walking Ray McClendon out of the building and talking with him after a meeting. I'm presuming it is this meeting, and I believe he was alone.

Question. The first page of this memorandum states that Mr. McClendon was upset that his firm and other minority-owned firms were not invited to bid on a Department of Energy project. Did you discuss this with Mr. McClendon?

Answer. Yes, I did. And, mind you, with other firms.

Question. What did Mr. McClendon communicate to you?

Answer. What you just read.

Question. Did he provide any amplification, beyond what's set out in the memorandum in front of us?

Answer. Other than, you know, being a minority banking interest, competing with the other firms. And he wasn't the only one. And I don't believe there was one African American considered. And it was my job to pass that information on for those who wanted to listen.

Question. Did you ever contact anybody at the Department of Energy about this matter?

Answer. I don't believe that I did, no—no, I don't believe that I did. I could have, but I don't think I did.

Question. Do you know whether Chairman Fowler ever contacted anybody at the Department of Energy about the matter discussed in this memorandum?

Answer. That I am unaware of.

Question. Do you know whether Chairman Fowler, or yourself, contacted anybody in the White House to relay Mr. McClendon's concern that is outlined in this memorandum?

Answer. I may have done that into the political division, but I don't know who I would have talked to or who I did talk to. And it wasn't specific to the Energy Department; it was, you know, if you continue further in the memo, you know, affirmative action is a big concern. It has been in the paper recently. It has been in the paper over the last 4 years. And see it's in that context that it may have been conveyed to the White House. But I don't have a specific recollection of who I may have contacted on that issue.

Question. The second page of the three that I've given you is a memorandum from David Mercer to Chairman Fowler dated September 25, 1995, regarding a request of meeting between Ray McClendon and Malcomb Pryor. Do you recognize the writing at the bottom of this page?

Answer. I don't. It looks like notes from the meeting, though.

Question. One of the notations in the handwritten section is the words "Ron Brown" with an arrow pointing to present. Do you know what that's referring to?

Answer. I have no idea.

Question. Did Mr. Brown attend any meetings that you're aware of between Mr. McClendon and anybody from the DNC?

Answer. Can you repeat the question?

Question. Did Mr. Brown attend any meetings between Mr. McClendon and anybody at the DNC?

Answer. Not to my knowledge.

Question. The notes also state that no contact can be made with officials at RFP.

Answer. Where are you reading from?

Question. In the top left-hand corner, the circled notes.

Answer. Uh-huh.

Question. Do you know what this would refer to?

Answer. I don't. This is the first, for the record, that I'm seeing——

Question. Sure.

Answer. This memo with the notes on top of it. Notes that aren't mine.

Question. Three entries up from the bottom of the page, there's another handwritten notation that says, "want contract to propose how to sell USDE." Do you have any knowledge——

Mr. REED. I'm sorry; where's that?

Mr. WILSON. The third marked entry from the bottom of the page: Want contact or contract to propose how to sell USDE.

EXAMINATION BY MR. WILSON:

Question. Do you have any knowledge of what that means?

Answer. I do not.

Question. There's also a reference in the handwritten notes here at the very top of the section of handwritten notes just underneath the circled entry that says, "write 10 K a piece/year" and then under that "raise 30-50 K/year." Do you know what these figures refer to?

Answer. I could only guess and that being that it was the history of support by Ray McClendon and/or Malcomb Pryor.

Question. And "support" meaning support to the DNC?

Answer. Correct, or in fact the reelect—at least it says an indication to the reelect. But it probably wasn't writing 10 K for the reelect, because the most you can write to a reelection campaign is $1,000, so I'm not sure entirely what that means.

Question. This second memorandum, the one that we've been referring to is cc'd to Richard Sullivan and Catherine York. Do you recall what their involvement in this matter was?

Answer. Other than Catherine York being his scheduler at the time, and Richard being the finance director, and the courtesy of FYI, I'm not sure how else they may have been involved as they saw fit.

Mr. WILSON. This document has been marked as Exhibit DM–33 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–33 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you recall any contact with a James Staffors who worked for American Home Products?

Answer. Not off the top of my head, no.

Question. Do you recall any contacts with an individual named James Belcher who worked for the Peat Rubber Company?

Answer. Off the top of my head, no.

Mr. REED. That last name was?

Mr. WILSON. Belcher, B-E-L-C-H-E-R.

Mr. REED. First name?

Mr. WILSON. James.

EXAMINATION BY MR. WILSON:

Question. Do you recall discussions with any of your colleagues involving concerns about a rubber plantation in Liberia?

Answer. Not that I—no. Just rolling back tape.

Question. I'm rolling through some fairly obscure subjects right now.

Mr. REED. Not for the Liberians.

EXAMINATION BY MR. WILSON:

Question. This will be fairly brief. Have you heard of the Ellicott Machine Corporation?

Answer. No.

Question. Have you heard of an individual named Bowe, which is B-O-W-E?

Answer. From where?

Question. He's a principal at the Ellicott Machine Corporation and I believe resides in Maryland.

Answer. I don't know who he is.

Question. Do you know Farhad Azima?

Answer. I know the name.

Question. And how do you know the name?

Answer. One, as a major supporter; and, secondly, I believe I flew with Mr. Fowler, as I believe Fred Thompson has too, on Mr. Azima's plane coming back, for the record, from Louisiana to D.C.

Question. Do you recall whether your travel on his airplane was reported as an in-kind contribution from Mr. Azima to the DNC?

Answer. Not only do I not recall, I don't recall how it was arranged, handled, or whatever. I was just told that's how I was flying back.

Question. Do you know whether Chairman Fowler traveled on Mr. Azima's airplane on occasions other than the one you have just mentioned?

Answer. I've heard rumor that there may be another occasion, but I don't know for a fact when he's traveled on Mr. Fahad Azima's plane.

Question. How were in-kind contributions involving air transportation of this nature disclosed?

Answer. I don't know because I never arranged for private—I can tell you that the airline companies have donated or contributed in-kind and that's handled through the in-kind reporting forms, and I would assume that the private planes were handled the same way, but I don't know for a fact.

Question. On the occasion that you traveled with Mr. Azima, do you recall what you did regarding the travel on his airplane?

Answer. To qualify, I didn't ever travel with Mr. Fahad Azima. It was the pilot, myself, and Mr. Fowler on the plane. And I don't recall doing anything other than traveling on the plane, getting off and going home.

Question. Have you ever met an individual named Jeffrey Hirschberg?

Answer. Yes.

Question. Who is Mr. Hirschberg?

Answer. I believe he's a vice chairman at the Ernst & Young firm.

Question. Did you ever solicit contributions from Mr. Hirschberg?

Answer. Yes, I believe I have.

Question. When did you first meet Mr. Hirschberg?

Answer. I can't pinpoint it. I believe it had to be from when I first started in 1993. I'm sure I met him at some point or it could have been '94, I'm not sure.

Question. Was Mr. Hirschberg designated a trustee or managing trustee at the DNC?

Answer. I'm sure managing trustee or one or the other.

Question. Do you know how much Mr. Hirschberg contributed to the DNC?

Answer. No, but I know that he was a—he was a loyal supporter of ours. But I don't know the numbers off the cuff.

Question. Did Mr. Hirschberg ever visit you in your office at the DNC?

Answer. I don't think with the expressed interest to come see me, but out of courtesy in seeing others would stop by my office to say hello and how are you and what's going on?

Question. Did you ever visit Mr. Hirschberg in his office?

Answer. I don't believe I even know where the offices are.

Question. Do you know Mark Nichols?

Answer. Yes, I do.

Question. When did you first meet Mr. Nichols?

Answer. The first thing I can remember is at the Unity events in Los Angeles, California, of 1996, October.

Question. Prior to November of '96, which would give you a fairly narrow window, did you help him set up meetings with any agency or administration officials?

Answer. I don't think prior to the time I indicated I first met him that I had any dealings with him.

Question. Did you have any interaction with him in October or November of 1996, during which you helped to arrange meetings between Mr. Nichols and any government employees?

Answer. No, I did not.

Question. Are you aware of any meetings between Mr. Nichols and Chairman Fowler?

Answer. Not per se, no. I would not be surprised if a meeting took place between Mr. Nichols and Mr. Fowler, but I don't know for a fact that one did.

Question. Did Chairman Fowler ever discuss with you issues brought to his attention by Mr. Nichols?

Answer. As I was in touch with Mr. Fowler during the Unity event, or during that period of October '93, he could have brought something to my attention as he was involved with us on it. But I don't have any recollection of the chairman bringing anything to my attention regarding Mark Nichols.

Question. I may have missed that but I wasn't sure whether you said October of '93?

Answer. Excuse me, '96.

Question. You said '96, okay.

Are you aware of any contacts between DNC employees and the White House regarding taxes on tribal-owned businesses?

Answer. None whatsoever.

Mr. WILSON. I've provided Mr. Mercer with a memorandum, one page; it's marked DNC 3235646. It's from Don Fowler to Bruce Lindsey. The document does not have Mr. Mercer's name on it, to the best of my knowledge. And it involves a number of issues involving Native American tribal matters.

EXAMINATION BY MR. WILSON:

Question. Do you know whether you had any input into the preparation of this memorandum?

Answer. I can say without a doubt I had no input with regard to this memo, although I might have been blind copied on it. But I don't believe I was.

Question. Do you know if Bruce Lindsey responded to this memorandum?

Answer. I have no idea if he did or not.

Question. Do you know whether——

Answer. Or whether for that matter that he received it.

Question. Do you know whether Bruce Lindsey ever contacted the DNC about any matter involving Native American tribal issues?

Answer. I'm sorry; I dozed on that. Could you repeat?

Mr. REED. Actually, we should take a break in a few minutes.

Mr. WILSON. Absolutely.

The WITNESS. But I'll answer the question, and then take a break.

EXAMINATION BY MR. WILSON:

Question. The question was do you recall Mr. Lindsey ever contacting anybody at the DNC about Native American tribal issues?

Answer. I don't know of Mr. Lindsey contacting the DNC on any issues.

Question. Well, we'll strike those lines of questions.

Do you recall or do you know of Harold Ickes ever contacting anybody at the DNC regarding Native American tribal issues?

Answer. I don't know.

Do you want to continue with Nichols? I can go——

Mr. WILSON. I've finished this line of questions, and now would be a very good time for a break. If we could go off the record.

[Brief recess, 3:26-3:50 p.m.]

Mr. WILSON. I'd like to mark this document as Exhibit DM–34 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–34 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. I'd just like to return for a moment to a matter we discussed very briefly a short while ago, and that is a project involving a gaming matter and a dog track in Wisconsin.

Do you know whether Patrick O'Connor represents Indian tribes who are involved in a dispute over a dog track in Wisconsin?

Answer. I don't know that for a fact, no.

Question. Did Mr. O'Connor ever speak to you about a dog track in Wisconsin?

Answer. Yes.

Question. And what did Mr. O'Connor speak to you about?

Answer. He filled me in on the information I shared earlier, which were the parties involved in the issue, and I believe I drafted a summary memo regarding that and passed it on to Chairman Fowler, I believe.

Question. And who do you recall were the parties involved in the issue?

Answer. I don't remember, other than the Delaware company being the current owner of the dog track wishing to sell it, and then being angry that they couldn't sell it to this—or that there was resistance within the Indian community of selling it; and Larry Kitto being an associate of Pat O'Connor's who was involved with the tribes from Minnesota.

Question. What was Mr. O'Connor's interest in the matter?

Answer. I think he was sharing what maybe Mr. Kitto had been sharing with him, which was what he shared with me.

Question. What was the relationship between Mr. Kitto and Mr. O'Connor?

Answer. I don't know per se what the exact relationship was other than both being from Minnesota, both supporting Democrats. I don't know per se whether they were client—I don't know who was representing who or whether or not he was a support—whether he advised Larry Kitto on issues. I'm not sure. I know that Larry was a contributor to the DCCC. I'm not sure if he actually contributed to the DNC or not.

Question. Are you aware of any contacts between Chairman Fowler and the White House regarding this proposed casino in Wisconsin?

Answer. I believe there was a memo, and whether or not it was delivered or not, from Chairman Fowler to Harold Ickes. But I don't know if there was discussion on it or follow-up or, in fact, whether Harold Ickes had received that memo.

Question. Did you help to prepare the memorandum that you just mentioned?

Answer. Yes, I did.

Mr. WILSON. I've given Mr. Mercer two pages of documents. The first one is marked DNC 3013976, and it's dated Tuesday, April 23, 1996, and it's my understanding that this is a page of Mr. Fowler's schedule. Halfway down the page, 4:45, there is a handwritten entry that says, 4:45 p.m. arrive for meeting with Larry Kitto, Steve Hildebrand, David Mercer re: Indian fund-raising.

EXAMINATION BY MR. WILSON:

Question. Do you know where this meeting—first of all, do you recall attending a meeting with Kitto, Hildebrand and Chairman Fowler regarding Indian fund-raising?

Answer. I don't recall attending this meeting, no.

Question. Do you recall attending any meetings with any of these individuals outside the Chairman's office?

Answer. No.

Question. Who is Steve Hildebrand?

Answer. I believe Steve was formerly the Midwest regional political director at the DNC.

Question. Do you know of any contacts between Chairman Fowler and the Department of the Interior regarding a proposed casino in Wisconsin?

Answer. No, I don't.

Question. Are you aware of litigation involving the Chippewa Indians that involves the DNC?

Answer. I'm aware of litigation around this issue, but I'm not aware of the Chippewa Indians as being a participant in that legal issue. I didn't know—I did not keep mind of the Indian tribes that were visited or tribe, for that matter, that was involved.

Question. Was anybody at the DNC following the course of the litigation that was going on involving the proposed casino in Wisconsin?

Answer. I would have to defer to Joe Sandler. If the DNC is involved, I would have to defer to Joe Sandler on that.

Question. Did you ever see any materials on litigation in Wisconsin involving a proposed casino?

Answer. I never received any material. I believe I was asked for documents associated with it that I handed over to Joe Sandler.

Question. And who furnished documents that you provided to Mr. Sandler?

Answer. Who furnished?

Question. Who gave the documents to you?

Answer. There are ones that I drafted, or if I received any information about it, I passed it to Mr. Sandler, but I don't recall specifically being in receipt of documents. I do recall having documents relating to this that I may have prepared, or, you know, like this one, this memorandum or something, but I'm not sure. Joe Sandler would have to be consulted on what documents are in possession.

Question. Do you recall drafting any memorandum or memoranda for any DNC employees about litigation involving the Wisconsin casino project we've been discussing?

Answer. No, I don't think—all I was asked was for any documents relating to the issue that was being litigated, I presume, and that's all I know about it, other than I received a phone call last week from the Milwaukee Sentinel Tribune, or something like that, letting me know that investigators had released documents from the House committee to lawyers in the litigation, and then the lawyers in the litigation released it to the press, and the press was calling me to find out whether or not there was further—what other documents we were handing over to the House, the answer of which even if I had it I wouldn't have given, but referred them to the press department.

Mr. YEAGER. You were told that a House committee handed a Minnesota reporter documents related to this issue?

The WITNESS. That the House informed the attorneys, the attorneys being I don't know, ambiguous, that were working on the case in Wisconsin. And the Wisconsin attorneys had shared the information with the reporter that called me.

Mr. YEAGER. Do you know who in particular gave the documents to the reporter?

The WITNESS. I didn't take names, and I was more focused on referring the reporter to the press and communications office than I was with the gathering of information.

Mr. YEAGER. Do you know what House entity provided the documents? Was it this committee or another committee?

The WITNESS. I presume that it was the House Government and Oversight Committee, because it was said in an ambiguous term as you are referring to, and given my involvement in the House, that that was the committee that he was referring to. They made reference to the memos that we are referencing now in the Milwaukee Sentinel.

Mr. YEAGER. Did they show these documents to you?

The WITNESS. No, they didn't.

Mr. YEAGER. Forgive me.

Mr. WILSON. No, no, now is the appropriate time to ask these questions. I was interested in the answer as well.

EXAMINATION BY MR. WILSON:

Question. Did you ever discuss fund-raising among Native American tribes with Mr. O'Connor?

Answer. I had discussed with him when he raised the issue that Larry Kitto may be interested in contributing to the DNC in addition to the work he was doing on behalf of the DCCC. But I don't, to the best of my recollection, know that that ever came to fruition.

Question. Did you ever specifically describe how or discuss how any Indian tribal members could be convinced to make $1,000 contributions to a 1,000-per-head fundraiser?

Answer. If I did, it was in the context of what I described as Pat O'Connor conveying to me what Larry Kitto's interest would be, and the feedback being that they would be interested in maybe attending a $1,000 event, to the best of my recollection.

Mr. WILSON. I've marked this document exhibit DM–35 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–35 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know if anybody in Vice President Gore's office, or Vice President Gore himself, had any communications with DNC employees about the Wisconsin—proposed Wisconsin casino that we've been discussing?

Answer. The prospect is the first time I've heard it mentioned.

Question. Did you ever have any conversations about any Native American gaming issues with individuals on the Vice President's staff?

Answer. Not that I can recall.

Question. Do you know why—do you know whether Patrick O'Connor was opposed to the proposed casino at the Hudson Dog Track?

Answer. I think that it was a political situation as well in that the Governor, being a Republican, was being influenced by the Delaware company which may have been contributing to his campaign, and that the Delaware company, wanting to—losing a boatload of money, needed to sell this dog track which was not making any money, and actually losing, to the Indians, who were also Republican supporters of the Governor. I believe it's Thompson. And that—and so there was a political context in which it was in, and I believe the motivation given that was how can we get a hearing with those that we are supportive of, and that being the Democrats? And so that's the context that I perceived it to be in.

Question. Did you know contemporaneously that Mr. O'Connor sent a letter to Harold Ickes informing Mr. Ickes that members of Native American tribes were attempting to stop the approval process for the proposed casino at the Hudson Dog Track?

Answer. I would first characterize it—I'm not sure it would be stopping the proposal, but there's all complications which I never got into with regard to rights in land or land in rights and wanting to be heard as to the economic impact of granting the lands in right, which I believe is the purview of the Interior Department, and that it was their feeling that they had not had a hearing about that—to whom they needed to speak to, I don't know—but to inform them of what the economic impact of such a grant would be to neighboring Indian tribes.

With regard to Pat O'Connor's communication with Harold Ickes, I believe that he informed me that he may have been in contact with Harold, but in what form and shape and the substance of which I'm not exactly sure.

Question. Did you make any calls to congressional staff or congressional Members about the Hudson Dog Track?

Answer. It's the first time you're making me think about it. I don't have a recollection about it. I could have, but I don't know that I did.

Question. Do you have any general recollection of talking to anybody outside of the DNC about the Hudson Dog Track issue?

Answer. No. And let me just preface, when you mention the Congress, I wouldn't even—when you're asking that question, I don't even know who I would call that would have a hand in trying to create an audience for an appropriate hearing.

Question. Did you contact anyone in the White House to set up or help to set up meetings to discuss the Hudson Dog Track issue?

Answer. I don't believe I did.

Question. Do you know who Tom Schneider is?

Answer. The name sounds familiar, but I can't associate it, probably because it is a common name, but——

Question. Did you have any conversations with John McCarthy, who's head of the Minnesota Indian Gaming Commission, about the Hudson Dog Track issue?

Answer. I—the name I have no recollection of, but when you mention that, there may have been somebody that put me on the phone with to give me a briefing on it, but—or a clearer understanding of it, but the name doesn't mean anything to me.

Question. When you refer to Mr. O'Connor putting you on the phone with somebody, what would the context of that have been—being situational, where were you located when the call was made?

Answer. The DNC. Not that that person was sitting with him or me, but that he may have had somebody contact me to give me a clearer understanding what was going on and how to—and my sense, wanting to articulate to my supervisors or others what the nature of the issue was.

Question. Did you have any discussions or contacts with Ann Jablonski about the Hudson Dog Track issue?

Answer. The name doesn't sound familiar.

Question. Did you have any discussions with Tom Foley about the Hudson Dog Track issue?

Answer. The former Speaker?

Question. The former Speaker.

Answer. Not that I know of.

Question. Did you have any contacts with a man named Brady Williamson of the National Bankruptcy Review Commission about the Hudson Dog Track?

Answer. No, I don't believe I did.

Question. Did you have any contacts with Tom Collier, formerly the Interior chief of staff and now a lawyer in private practice, about the Hudson Dog Track issue?

Answer. No, I didn't.

Question. Did you have any contacts with John Duffy at the Department of Interior about the Hudson Dog Track issue?

Answer. Not that I know of. I don't know who that is.

Question. Was anybody at the DNC in charge of overseeing campaign contributions from Native American tribes?

Answer. I would not characterize it as somebody "being in charge" of working with Native Americans. But Adam Crain had given me memos and had, I guess, worked with that community to some extent. But I don't know if you could characterize it as somebody being a lead as comparable as I may have been to the African American community, or John to the Asian community. I'm not sure they could be characterized that way.

Question. Are you aware of any fund-raisers that were targeted generally towards the Native American community?

Answer. I may have seen documents that were relative to events, but I don't know for a fact that we took in money from the Indian American community from an event or that they were actually fund-raising events. We had activity with them, but I don't know the specifics of that activity.

Question. There was a September 14, 1995, DNC event at the Washington Hotel. Do you recall whether you had any involvement in organizing this event?

Answer. I don't believe I did. I'm not even sure where the Washington Hotel is.

Question. Were you involved in helping to organize or set up a meeting between tribal leaders and Harold Ickes in 1995?

Answer. To not my knowledge, no.

Question. Did you attend any meetings with Harold Ickes?

Answer. Yes, I have.

Question. Did you attend any meetings with Harold Ickes that involved any Native American tribal issues?

Answer. Not to the best of my knowledge did I, no.

Question. Did Gretchen Lerach have anything to do with Native American matters at the DNC?

Answer. I don't know. All I knew her to be was the assistant to the executive director.

Mr. WILSON. I've given Mr. Mercer a document. It is a letter from Tom Collier to Gretchen Lerach, number DNC 3015371. And it's regarding a Shakopee meeting at 2:30 on June 4.

EXAMINATION BY MR. WILSON:

Question. Do you recall whether you attended the meeting that is proposed in this letter?

Answer. Two things: One, I've never seen this before; secondly, I know I never did attend this meeting.

Question. Were you aware that Indian tribes were considering forming a PAC to advance tribal issues in the political area?

Answer. I was not aware.

Mr. WILSON. This letter is marked Exhibit DM–36 for the record.

[Mercer Deposition Exhibit No. DM–36 was marked for identification.]

Mr. WILSON. I've given Mr. Mercer a document of seven pages in length. The first page is numbered DNC 3245433. It is a memorandum to Craig Smith and Judy DeAtley.

Mr. REED. We don't have a copy.

Mr. WILSON. From Kevin Gover and Cate Stetson.

EXAMINATION BY MR. WILSON:

Question. Do you recall ever having seen a copy of this memorandum?

Answer. I've never seen it, and I'm surprised about all the things I didn't know going on at the DNC.

Question. Do you recognize the handwriting on the first page of this memorandum?

Answer. I do not.

Mr. WILSON. This document has been marked Exhibit DM–37.

[Mercer Deposition Exhibit No. DM–37 was marked for identification.].

EXAMINATION BY MR. WILSON:

Question. Do you recall whether any contributions from Indian tribes at the end of 1995 were used for media buys?

Answer. For the record, I don't know what campaign—what contributions were used for media buys, if there was a segregation or whatever. And I don't know particularly of any money directed from Indians or Indian tribes to pay for media buys. I'm unaware of that.

Question. Do you know if campaign contributions were ever delineated specifically for media buys?

Answer. I don't know that.

Mr. WILSON. I've given Mr. Mercer a document, a letter numbered DNC 3245606 from Franklin Ducheneaux to Mr. Mercer dated July 27, 1995.

EXAMINATION BY MR. WILSON:

Question. And I'm particularly interested in the first sentence of the letter.

Answer. So am I.

Question. Which states, "I want to thank you for your card regarding the decision of Secretary Babbitt on the proposed land acquisition of the Hudson Dog Track for Indian gaming purposes."

Do you recall sending a card to Mr. Ducheneaux about this matter?

Answer. What I vaguely remember or recollect is maybe sending a card saying, it was nice to meet you, look forward to working with you on this issue, and we'll do all that we can and hope to keep in touch. Those are generally cards that I will send out. Even the second sentence, the Minnesota tribes are grateful to you—David Mercer, I assume—and the Chairman for advising the President. I've never advised the President or the Secretary on any matters. So it speaks to the inflation, I believe, of the language here used by Mr. Franklin Ducheneaux, or whatever his name is.

Question. Who is Franklin Ducheneaux?

Answer. I don't know. I vaguely remember receiving this or seeing this, and, you know, it was part—I took my direction or I took the request from Pat O'Connor on this issue. I didn't—I wasn't taking it from a range of people or whatever. Now people may have sent stuff in or talked to me. About the only guidance I took on the issue was from Pat O'Connor. So I don't know what his relationship is to any of the tribes, and not knowing all of the tribes or any of the tribes, only that he had an interest in it, presumably.

Question. Did you have any contacts with Secretary Babbitt or any Department of the Interior employees on the decision made at the Department of Interior related to the Hudson Dog Track?

Answer. I do not believe that I have ever talked to Secretary Babbitt, other than on one occasion during the Inaugural of this year; and Tom Collier, I don't even know what he looks like, or I've never called Tom Collier. Or others at the Department of Interior, I don't—other than B.J. Thornberry, I'm not sure who else worked at the Department of Interior.

Question. Were you aware of the Department of Interior coming to a decision that involved the Hudson Dog Track?

Answer. It's only now that I am refreshed that was communicated to me that the Interior Department made some decision. But even from looking at this, I'm not sure what that decision was.

EXAMINATION BY MR. WILSON:

Question. Do you remember how the Secretary's decision was announced in this matter?

Answer. I don't even know that there was an announcement to be made or it was made. I should hang this one on my wall.

Mr. WILSON. I've marked this Exhibit DM–38 for the record.

[Mercer Deposition Exhibit No. DM–38 was marked for identification.]

Ms. CLEARY. I'm sorry, the number is DM–38?

EXAMINATION BY MR. WILSON:

Question. Do you know Richard Bertsch?

Answer. Yes, I do.

Question. And how do you know him?

Answer. I know him, or I first met him, during our preparations for the 1993 fund-raisers that I earlier stated that I worked on in connection with the inquiry regarding John Huang.

Question. What does Mr. Bertsch do for a living?

Answer. I understood him to be in the wholesale business of electronic manufactured goods.

Question. Did you ever solicit contributions from Mr. Bertsch?

Answer. I don't know if I personally asked him to write a check or raise, but more in the spirit like we approached John Huang, Nancy Jacobson, and I. And we did meet together with Richard Choi Bertsch on the first occasion to give him notice of our plans for the fund-raiser and asking for his help in identifying others that may want to participate in that fund-raiser or fund-raisers.

Question. Did you ever receive any background information on Mr. Bertsch?

Answer. I may have received a bio, but I'm not sure that I did.

Question. Do you recall ever having requested a bio for Mr. Bertsch?

Answer. I don't recall specifically, no.

Question. Do you know whether somebody else sent you a biography about Mr. Bertsch?

Answer. I don't have a recollection, period, of whether or not we had a bio or I requested a bio or one was sent.

Question. Have you ever requested any assistance from government employees to set up meetings or help to organize meetings between Mr. Bertsch and government employees?

Answer. Not to my recollection, no.

Question. Do you recall recommending Mr. Bertsch to participate in an economic conference in Los Angeles?

Answer. That's quite possible. He may be on that list that you submitted for my review earlier this morning.

Question. Did you ever discuss contributions with Mr. Bertsch in conjunction with that conference?

Answer. Well, the—I don't know if it was in conjunction with. We were out there fund-raising, then it was decided that, in addition to attending the fund-raisers, the President was also doing a conference; and upon being notified of that, being asked to submit names for those who might be considered in participating.

When I sat down to meet with him, we did not know the economic conference was happening, and I had learned of Mr. Bertsch, again, as we had learned of John Huang, from prior, you know, being traditional donors or fund-raisers for Democrats. And that was the reason for the contact.

Question. Do you know if Mr. Bertsch made any in-kind contributions to the DNC?

Answer. To the best of my recollection, I don't believe he did, but I'm not altogether sure. I don't believe he did, though.

Mr. WILSON. Let me provide a document that might refresh your recollection at this point.

I've given Mr. Mercer a memorandum from David Mercer to Joe Sandler. It's marked DNC 0292276, and about halfway down, it lists at least what appears to be designation of $2,500 for Mr. Bertsch for an in-kind contribution.

EXAMINATION BY MR. WILSON:

Question. Do you have any recollection of this?

Answer. The memo looks familiar, and it is a record of various people providing either donations or in-kinds. And he is listed, but I'm not sure what it was for. Well, it says, hotel expense item, but I'm not sure what it's for.

Question. Without getting into any conversations or contacts with Mr. Sandler at the DNC, is this the format of memorandum that you would provide describing in-kind contributions for the Counsel's Office to review?

Answer. It's either something like this, or it's individual sheets, you know, or you could call somebody back in the home office and let them know, and then they fill out the form and submit it. So it comes in various forms. I'm not sure that there's a requirement for it to come in one form or the other, but to report in-kind contributions as you know them to be.

Question. And the form you're referring to, was that a preprinted form that would simply be filled out?

Answer. That's correct.

Question. On the second page of the three pages I've provided you, at the top there's an "in-kind" designation for a Richard Bertsch, hotel, and you're listed as the solicitor for a Federal contribution of $2,500.

Do you recall having had any contacts with Mr. Bertsch about this in-kind contribution?

Answer. I don't—I can't recall now specifically sitting down with him or being on the phone talking about it, but it's apparent that I probably requested of him an in-kind contribution.

Mr. WILSON. This document has been marked Exhibit DM–39 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–39 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know Richard Park?

Answer. Yes, I do.

Question. And when did you first meet Mr. Park?

Answer. At the same time.

Question. Have you ever solicited contributions from Mr. Park?

Answer. Yes, I have.

Question. Have you ever received any background information on Mr. Park?

Answer. I believe we received or there's on file, or was on file a bio. I just vaguely remember seeing U.S. Woopon Corporation or whatever. Woopon is spelled W-O-O-P-O-N.

Question. Did you keep files of major contributors in your office?

Answer. Yeah, well—no, I didn't keep any individual name files, if that's what you're asking, of the contributors. I kept lists of the major contributors or our donors, which have subsequently been handed in.

Question. How did you keep track of, say, biographical material that you would have received on individual DNC contributors?

Answer. I kept them in a file, or I went and retrieved it from the trustee division of the finance division—the trustee program.

Question. Did you ever forward information you had received to the trustee division for inclusion in their recordkeeping?

Answer. I'm sure on occasion I did, yes.

Question. And——

Answer. Both proactively and being asked.

Question. And in the event that you kept for your own purposes explanatory or biographical material on individuals, how did you file or maintain that information?

Answer. I'm not sure—as I said before, I had them in files, or I have them in a notebook, or in an event book or something like that.

Question. Did you keep a single file with biographical information of miscellaneous contributors?

Answer. And resumes and people that were interested in work, people that I was dealing with at that time, yeah.

Question. Was this a single file that you had put materials into, or did you divide the file up according to categories?

Answer. According to categories——

Question. Categories like resumes, bio?

Answer. If it was a bio, resume, sometimes I kept them separate; sometimes I kept them together.

Question. Did Mr. Park ever seek your assistance in helping to arrange meetings with administration officials?

Answer. Not that I can recall. And I don't believe he did.

Question. Do you know an individual named Mi Ahn, A-H-N?

Answer. Yes, I do.

Question. And who is Ms. Ahn?

Answer. She is president of Pan Metal Corporation, which I believe is in southern or Los Angeles, California.

Question. Does she have any relatives who work for either the DNC or the White House?

Answer. Not that I know of.

Question. When did you first meet her?

Answer. I have trouble recalling meeting her, but I may have met her at one of our gala celebrations, either 1994 or '95.

Question. Do you recall ever having solicited contributions from her?

Answer. I don't specifically recall, but I remember being on the phone with her. And I don't know if it was a solicitation or not, because I remember learning about what Pan Metal Corporation does.

Question. Did you ever invite her to attend DNC events?

Answer. Probably the gala.

Question. I would like to turn and ask a few questions about what have commonly been called Presidential coffees?

Answer. What are those? No.

Question. Were you—are you aware that the President attended a series of coffees in '95 and 1996——

Answer. Yes I am.

Question. That included DNC fund-raisers?

Were these coffees a part of the DNC major donor program?

Answer. Yes, they were.

Question. Now, how—just to categorize what the coffees were, how would you describe what they were?

Answer. What I would do was describe the major supporters or trustee program, and among the activities of the major supporter or trustee program was the coffees. And I would explain the nature of the coffees as if to say that they were Christmas parties that you're likely to be invited to or other events throughout the year, convention activities. So I laid out the program. And the coffee was an element of the major supporters' program.

Question. Did you ever suggest to individuals that if they contributed money, they might be able to attend a coffee at the White House?

Answer. As stated earlier, what I conveyed to prospective trustees or current trustees that were renewing was the activities of the major supporters program. And as I stated before in the record, if somebody wanted to—wanted to—you know, remove from their thinking all the other items that I suggested were involved with the trustee program and just think coffees and $50,000, then that's a way that they may convey it. But you had to be a member of the major supporters program or a prospective or, you know, current, but, you know, maybe helping us at a later date or what have you to participate in not only coffees, but in our other events as well.

And I'll give you an example. At the convention, if you were a major supporter, you might receive three different flavor passes as opposed to two flavor passes. So you know it was a package thing. And coffees, conventions, all of it were elements of that.

Question. Referring to the trustee or managing trustee designations that individuals were given after contributing certain amounts of money, how was the money that was contributed through the trustee program kept track of, if it was kept track of?

Answer. There were, I believe, budget sheets that Richard Sullivan supervised or the finance director, which I believe was him during the period that we're referencing, and what all the councils were doing or raising in addition to on an event basis would be maintained at the direction of Richard. And I'm not sure of all the subtle-

ties or the implications or the management of that information and how it was presented or laid out or projected.

Question. Did you know at any one time how many managing trustees there were and whether they were up to date with their contributions?

Answer. From time to time, I may have been asked by a donor how many managing trustees there are, and I might have then gotten up and gone to find out. But at any given time, I didn't know how many there were. And on—it was a moving target in any event.

Question. Who would have provided the information to keep you up to speed on the status?

Answer. I think the trustee program or the staff working on the trustee program would have the best count of how many people were at, say, 50,000 or a 100- or finance board members.

Question. So retreading ground that we might have gone over in your previous answers, but did you ever suggest to any individual that there was a quid pro quo of $50,000 contribution or any amount of money contribution for attendance at a coffee?

Answer. As stated earlier, I would describe the major supporters program, and the coffee was an element of it, and that's the way I articulate it to the people. I spoke to them on the phone regarding that, or in person for that matter. And you know, whether—how they—how they perceive that or how they wanted to rephrase that or whatever is based on their own perceptions of it.

Question. Did anybody else at the DNC articulate the description of the coffees in the same way that you did?

Answer. I don't know. I have never heard somebody say, you can come for $50,000, put it that way.

Question. Who—if you could indicate that one person or a couple of people were in charge of the coffee program, who would those people be?

Answer. Well, to put it back in the context that I have articulated, I don't believe that anybody was in charge of the coffee program. There were people who were staffing the trustee program; again, the coffees being an element of that; and the finance director having supervision over the finance division, which included both the trustee program and the coffees.

With that said, I know Ann Braziel was somebody that if you had somebody who was attending the coffee, that she would get the name, and you would give maybe a bio or, you know, two lines on the person so that they could provide that as part of the breakfast. And Richard would have the final list and determine who the attendees would finally be from the DNC finance standpoint.

Question. Did you—if it came to your mind that you were going to suggest to a potential contributor or a past contributor that they might be able to attend a coffee, would you check with anybody in advance to see if that might be all right?

Answer. I was not the final arbiter of who attended coffees. I recommended or suggested names, and they would either be invited or they wouldn't. I don't recall being told that somebody could not be invited, but then again I may not recall that because it was a nonissue, being that the person wasn't going to be coming.

Question. Who did you recommend the names to?

Answer. I would give the name to Ann, and I would almost assuredly talk to Richard Sullivan.

Mr. REED. Did you ever speak to anybody directly in the White House about one of the coffees?

The WITNESS. I have never attended a coffee, except for I went to a breakfast that was attended by Vice President Gore, and I don't know that that was a coffee. It was with business council members. So I don't know who was our contact person at the White House regarding coffees.

EXAMINATION BY MR. WILSON:

Question. Did you ever receive a telephone call or contact of any sort from the White House with the suggestion of somebody who might be contacted to attend a coffee?

Answer. Not that I can recall, no.

Question. Did you receive contacts from colleagues of the DNC of potential coffee invitees?

Answer. There may have been somebody in another division that said somebody was interested in joining the major supporters program. But off the top of my head, that was very rare and on off occasions, and I don't recall specifically anybody doing that.

Mr. WILSON. I've given Mr. Mercer a document that's numbered EOP 024249 that's headed "Democratic National Committee Presidential Coffee."

EXAMINATION BY MR. WILSON:

Question. And I refer your attention to the first full sentence in the memo which states that "the purpose of this coffee is to raise funds for the Democratic National Committee." was there—was there any discussion between you and your colleagues as to how the coffees were to be described?

Mr. YEAGER. Pardon me, I'm sorry. I apologize for interrupting your question. Perhaps the witness could say whether he's seen the document before.

The WITNESS. I have not seen this document.

EXAMINATION BY MR. WILSON:

Question. Okay. I just put this out to provide a sense for some sort of framework. Did you have discussions with colleagues at the DNC about how you would describe the coffees to potential contributors and past contributors?

Answer. As far as I can remember, and I don't know if it was a formal discussion with the finance staff as a whole, but it was—we have a term called "servicing events" that are events that you invite your—you know, like a retreat. We have retreats annually down in Boca Raton, Florida, or Miami or wherever, and that the coffees were more of a service event in the articulation of it. And, you know, an element within the major supporter program is how I—how it was conveyed to me and how I understood the coffees to be.

Question. Would you categorize the coffees as servicing events or describe them as servicing events?

Answer. I would, yeah.

Question. Now, I think we may turn our attention to a couple of documents in a little bit that describe certain events as servicing events. I know that many coffees in spreadsheets are not listed as servicing events, and some events are listed as servicing events. Was there any direction that you ever received as to how you would—would describe fund-raising events vis-a-vis using the term "servicing" or "not servicing"?

Answer. No, there wasn't. It was, I guess, taken for granted, and you understood the nature of it.

With regard to how it is laid out on budget sheets, I don't know what were the determinations made in describing one event versus another. But I do know one fact, and that was, you know, like for the galas you—there was a big push to solicit funds in the coffees or other kinds of events. It was to go after those that were current trustees, those that look like they would be prospective. And it would be a nice orientation like we had other events, and that's how I viewed it and articulated it.

Question. Just referring to the document we have in front of you, which I do understand you have not seen this document, but did you ever receive communications from either DNC colleagues or from the White House that told you how or how not to refer to the coffees that were held at the White House?

Answer. No.

Mr. WILSON. This document is marked Exhibit DM–40.

[Mercer Deposition Exhibit No. DM–40 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know who had the final approval in scheduling of White House coffees?

Answer. I don't even know who all was involved in the scheduling of White House coffees.

Mr. WILSON. I've given the witness a document marked EOP 035478. It's dated September 28, 1995. It appears to be a computer-generated generic letter. It's not addressed to anybody individually.

EXAMINATION BY MR. WILSON:

Question. And if you could take just a moment to look at the text of this.

Did you have, on your—the computer system in your office, a form-generated letter that would be sent out to coffee invitees?

Answer. Not that I can recall, no.

Question. Do you recall whether——

Answer. In fact, I think there was a—I think Anne Braziel may have provided the attendees with the final information of where to go and, you know, how to get

in. And I don't know whether that was done over the phone or through letter. I'm not sure.

Question. Do you recall ever having seen invitations generated by the DNC to coffee invitees?

Answer. I have not seen this document. And to the best of my knowledge or—I don't believe I've seen others inviting people to a particular coffee. I just don't recall. I mean, there could be in the papers that, but I don't recall seeing that. And I've never seen this one.

Question. In the instances where you've spoken with people about attending a White House coffee, and where that person or those persons actually did attend the coffee, what did you tell them they would be receiving in terms of an official invitation, if you told them anything?

Answer. I'm not sure that I mentioned that they receive an official invitation, but they would be notified of the exact time and what gate to maybe enter or something like that. But I can't remember whether—maybe on occasion I had shared with them after getting information from Anne Braziel, or maybe Anne Braziel called them, I'm not sure.

Mr. WILSON. I've marked this document Exhibit DM–41.

[Mercer Deposition Exhibit No. DM–41 was marked for identification.].

Mr. REED. Is this a good time for a short bathroom break?

Mr. WILSON. Yes. If we could go off the record.

[Brief recess.]

EXAMINATION BY MR. WILSON:

Question. Did you ever receive information from the DNC that projected income for the 1996 coffees?

Answer. I don't believe that I—specific to coffees, but I think that I have seen budgets, budget projections of the calendar year or, you know, what they may have summarized as what the anticipated income would be or revenue generating would be.

Question. Do you know why an entry for projected revenue was included in such documents?

Answer. I was not involved with it, so I don't know the rationale behind it.

Question. Did you ever have any discussions with anybody at the DNC as to how the figures that were the stated projections for each coffee were reached?

Answer. No.

Question. Did you ever see documents at the DNC for 1996 coffees that indicated in-hand amounts of money that had been derived from the coffees?

Mr. REED. Can we distinguish between before his Senate deposition and after?

Mr. WILSON. Yes.

Mr. REED. It might be useful, because I could be mistaken, but I do believe he might have been shown such documents during the course of the Senate deposition.

EXAMINATION BY MR. WILSON:

Question. Yeah. And in fact before November of 1996, did you ever see spreadsheets or budget preparations that listed in-hand amounts of money for coffees from 1996?

Answer. Yeah.

Mr. REED. If you are——

The WITNESS. That included in-budgets for all events and whatever that there would be—and what monies in and what monies out, what total is, yes, I would see those.

EXAMINATION BY MR. WILSON:

Question. And did you ever comment to anybody about the in-hand and the projected dollar designations for the coffees?

Answer. Did I——

Question. Did you ever discuss those entries with anybody?

Answer. It could have been——

Mr. YEAGER. If I—I may be confused about the testimony. Did you testify just now that you have seen documents which indicate in-hand contributions with respect to any event or——

The WITNESS. Event for—we have listings of all events that may have been done, coffees, fund-raisers, whatever it may be. And there were—I believe—you know, I—you know, I can't see them in front of me, but I believe that I have seen them, and that they would have what money is in and what money is out. And they were status reports for us to be aware of to meet goals or what I presume to meet goals.

EXAMINATION BY MR. WILSON:

Question. Did you ever discuss with any of your DNC colleagues the projected revenue and the in-hand revenue designated in these types of spreadsheets?

Answer. I may have. But I mean I don't have the specific recollection of there being a problem or you, you know, trying to resolve or, you know—I mean, I'm—I don't—it doesn't come to mind, but I'm sure I may have.

Question. Given the—maybe this is a statement more than a question—that there were goals for various fund-raisers, if you had seen a goal for a coffee, it's my assumption that people would try and meet that goal. And if they didn't meet the goal——

Answer. There wasn't a coffee that I was in charge of trying to meet a goal. So there was never—I never had discussions about—nobody came to me and said, Mercer, you have to close out this event and close it and find the money for it. That discussion, if that's what you're referring to, I don't recall and I don't think ever happened. I didn't have responsibility over the coffees. So I didn't have those kinds of conversations.

Mr. WILSON. I've given the witness a document that's 5 pages in length. The first page is marked CJRO-0039. The document is dated 13 March 1996. It's a memorandum from Harold Ickes. It's to the Vice President. Mr. Mercer is not mentioned in this document. If you could take just a moment to look at the——

The WITNESS. Yeah.

Mr. WILSON. Okay. Providing the—Mr. Mercer with an additional document, which is Bates marked CJRO-0048, which is a spreadsheet page that has been produced, and that refers to fund-raising events in January of 1996.

Mr. REED. Well, I'm going to object to the characterization. It just simply says January, principal event source. But there's no denomination of it as a fund-raising event on its face.

Mr. WILSON. That's fair enough. There is no characterization it's a fund-raising event. Then there's no year listed.

EXAMINATION BY MR. WILSON:

Question. I just wanted to ask you. Have you seen, did you ever receive materials that listed fund-raising events that were set out in this format with the event and source, the date, the projected revenue, in-hand revenue, projected costs?

Answer. I may have seen or been shared with documents like this, but I have never—I can't say, one, the first document you handed me, the memorandum to Harold Ickes addressed to the President, Vice President with the whole set of ccs, have I ever seen that before. Except for this spreadsheet, included in that, and the spreadsheet that you subsequently gave me looks like something that would come from the DNC.

Question. I just—I wanted to ask you a question that may need to juxtapose these two documents. On the third page of the first document I gave you, on the page that's marked CJRO 0041, there is an entry for January deposits under the major donor program?

Answer. Uh-huh.

Question. Of $2,347,87?

Answer. Uh-huh.

Question. And in the second document, the January spreadsheet I gave you?

Answer. Uh-huh.

Question. There is an in-hand revenue for the month of $2.24 million.

Answer. Uh-huh.

Question. Admittedly, these are different numbers. There's a different between 2.3 million and 2.2 million on these two documents. But I'm just trying to get a sense of how revenue is kept track of, given that in this January spreadsheet, there are three coffees mentioned, each with an in-hand total of $400,000. was it your understanding that—what was your understanding over amounts of money that were listed as in-hand for coffees?

Mr. REED. I'm going to object. Obviously, I'm going to let David answer, but I want to state my objection clearly on the record.

I believe the testimony has—his testimony has been in the range that he had no involvement or responsibility at all for the budgeting, internal budgeting process at the DNC, let alone any dynamic interaction between the DNC and the White House. Having placed that objection on the record, and if I'm wrong about that, David, certainly, you know, go ahead on the record.

Mr. WILSON. No, I——

Mr. REED. I'm a little reluctant—obviously he's going to answer any questions you have, Jim, but I'm a little reluctant to get into source of the nuances of these par-

ticular documents and speculate what they might mean and why people might put information on paper that may be consistent or inconsistent with what people really view these events to be. Having said all of that, of course I'm going to have him to answer any questions you have.

Mr. WILSON. Okay. I——

Mr. YEAGER. Allow me to object, also. It looks like, Counsel, you've testified to the documents and drawn some sort of connection between these two documents. And I don't believe that it's been established for the record that Mr. Mercer has any connection at all to, as Mr. Reed pointed out, to these documents or to the process in general. So I'm just concerned about some sort of misimpression on the record.

Mr. WILSON. That's a valid concern. And I—I'm not sure whether it's—whether I'm being too opaque for anybody to see where I'm going or not. I'm not so much interested in Mr. Mercer's knowledge of who prepared the documents or what they literally mean or whether they're accurate as to whether in reviewing documents such as the one we have in front of us, the January spreadsheet, whether you ever expressed any reaction at all to the way that money was disclosed in these spreadsheets. I mean, there are designations here, in-hand dollar amounts from coffees on three separate occasions of $400,000. And either $400,000 was realized from these coffees or $400,000 wasn't realized from these coffees. You know we're looking at these documents after the fact. But my question goes to whether when you looked at these documents you ever thought the coffee, for example, on 17 January was responsible for $400,000 of in-hand contributions.

Mr. REED. I'm—with all due respect, I'm going to object again, because I don't believe there's a foundation that he looked at these documents in particular, that he was aware of them at all contemporaneously with events that we're talking about as opposed to during the course of the investigation. Having made that objection, David, you can go ahead and answer.

The WITNESS. I would only be guessing, as the objection has alluded to; not having involvement with the process, I would only be guessing as to how this is laid out and why it's laid out the way it is. And that is that there is some tracking of, you know, the major supporters, the details of which I don't know, but you're dealing with the major supporter's program, and there may have been a correlation of how successful it was, or how much the element of coffees along with other things was in increasing the membership of the trustee program.

But again, I really have to caution, because I was not involved even in discussions of preparing these documents. And so I don't know what the thinking was, both internally or externally regarding that.

EXAMINATION BY MR. WILSON:

Question. Is it correct to say that you were not responsible for providing the, at least to your knowledge, that you were not responsible for providing the raw numbers that were used in either of the two documents I've shown you?

Answer. Absolutely correct.

Question. Okay.

Mr. WILSON. I'll mark these for the record, the first one is marked exhibit DM–42. The second one is marked DM–43.

[Mercer Deposition Exhibit No. DM–42 was marked for identification.]

[Mercer Deposition Exhibit No. DM–43 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you ever receive memoranda that Mr. Ickes prepared for the President discussing DNC financial matters?

Answer. I may have on one or two occasions, but I don't recall specifically. And I doubt that I was on the distribution list.

Question. Were you ever aware that—were you ever aware of any agreement that would have the DNC providing Mr. Ickes with DNC financial information on a regular basis?

Answer. Can you repeat the question?

Question. Were you aware of any agreement that would have Mr. Ickes receiving financial information from the DNC on a regular basis?

Answer. I wasn't aware of an agreement per se, no.

Question. Did the Vice President host coffees for DNC supporters?

Answer. I believe he did.

Question. Did you ever recommend anybody to attend coffees with the Vice President?

Answer. I may have. Rarely. And I'm not sure specifically who I might have recommended.

Question. Do you know, apart from the fact that the principals are obviously different individuals, whether the—whether Vice Presidential coffees were regarded differently within the DNC than the Presidential coffees?

Answer. Other than that the VP coffees were, in my mind, and I don't know if this is the way it was, but in my observational mind it was more directed to the Democratic Business Council.

Mr. WILSON. I've given Mr. Mercer a document that's a number of pages in length. It's—the first page is marked EOP 055666. It's entitled, "Vice Presidential coffee since April 1995."

And I'm particularly interested in the last page of this document.

The WITNESS. Uh-huh.

Mr. REED. I'm sorry, the last page?

Mr. WILSON. The last page of the document, yes.

EXAMINATION BY MR. WILSON:

Question. Do you recognize the handwriting on this document?

Answer. For the record, I've never seen any contents of this document, nor do I recognize the writing.

Question. Okay. Did you ever have any discussions with anybody in the DNC as to how either the Presidential or Vice Presidential coffees would be paid for?

Answer. I never had that discussion with anybody or was aware of it as an issue.

Mr. WILSON. This document is marked Exhibit DM–44 for the record.

[Mercer Deposition Exhibit No. DM–44 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Were you aware of a coffee that occurred on May 13th, 1996, that included a number of prominent bankers?

Answer. Only through press accounts.

Question. Did you ever have any contemporaneous knowledge of the May 13, 1996, coffee?

Answer. No, I did not.

Question. Were you ever involved in any discussions at the DNC where it was suggested that Marvin Rosen was using DNC events to solicit clients for himself?

Answer. I've heard that in maybe a press account. I may have heard it as a swipe by one of the staff, but I never knew that, nor do I concern myself with it.

Question. Apart from the——

Answer. And——

Question. Subsequent press accounts, at the time, do you recall any conversations that you had with any individuals?

Answer. No. I only—because I can't distinguish it between what I read in the press and maybe somebody, you know, what I considered just taking a swipe, because I don't know of any business or his client relations or whatever he may have been doing, I don't know about it, so I didn't pay heed to it or attention to it.

Question. Do you know if the President ever requested the attendance of anybody at the White House coffees?

Answer. I'm unaware of that.

Question. Did you ever suggest to any individual a specific dollar amount in conjunction with attending a coffee?

Answer. In alluding back to past testimony earlier, again, I don't have any specific recollection of saying $50,000 for a coffee or mentioning a specific dollar amount to a coffee. But, again, in the context of the discussion of the major supporters' program and the activity of our coffees or major supporter's program, that the focus or an emphasis may have been put on the coffee, and they may have walked away with that impression. But I, again, discussed the coffees in the nature of the major supporter's program along with other elements of the program.

Question. Do you know if photographs were taken at any of the coffees?

Answer. I think, as I stated earlier, I believe they were, but I don't know for a fact that they were.

Question. Did anybody ever make a request of you to attempt to locate the photograph taken during one of the coffees?

Answer. They could have, but I—I don't have a specific recollection of being asked for that.

Question. Do you know if notes were ever taken during the coffees?

Answer. I don't know of anybody who did take notes during the coffees.

Question. Did you ever receive or see copies of notes that were taken during coffees, any one of the coffees?

Answer. I don't believe I did, no.

Mr. REED. I'm sorry, what was the question?
Mr. WILSON. Did Mr. Mercer ever see copies of notes or notes that were taken during one of the coffees.
Mr. REED. Okay.

EXAMINATION BY MR. WILSON:

Question. Did you have any knowledge prior to November of 1996 that the White House coffees were not on the President's public schedule?
Answer. I didn't know that. I should add, I also didn't think of that.
Mr. YEAGER. Do you know that now? I mean, is that——
The WITNESS. No, I don't know that now.
Mr. WILSON. I've given Mr. Mercer a document, which is a single page from a spreadsheet. It's numbered DNC 1781613. And there is an entry marked number 14 on this document that refers to $515,000. And it states, D.C. coffee-Asian, 385,000 not in hand, 130,000 in donor directed from Duangnet Kronenberg.
Mr. REED. D-U-A-N-G-N-E-T. And Kronenberg is K-R-O-N-E-N-B-E-R-G.
Mr. WILSON. And then there are five entries, PA-25, CA-30, FL-25, OH-20, and IL-30.

EXAMINATION BY MR. WILSON:

Question. Are you aware of Ms. Kronenberg's participation in a White House coffee?
Mr. REED. I object because I don't know whether it's Ms. Kronenberg or——
The WITNESS. Yeah, I wouldn't know if it's Ms. or Mr., and I wasn't aware of the involvement of either he or she in the coffee—in a coffee.

EXAMINATION BY MR. WILSON:

Question. Did you——
Answer. And for the record, I've never seen this document before. I don't know where it was produced and don't know really what it is.
Question. Did you have any contacts at all with either Pauline Kanchanalak or Duangnet Kronenberg about attending a White House coffee?
Answer. I don't—as I testified earlier, specifically to Pauline Kanchanalak, I did not, and I do not know Duangnet Kronenberg.
Mr. WILSON. I've marked this Exhibit DM–45 for inclusion in the record.
[Mercer Deposition Exhibit No. DM–45 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you have any—have you ever had any interaction with Harold Ickes?
Answer. Yes, I have.
Question. On what circumstances have you interacted with Mr. Ickes?
Answer. On one occasion, I believe I was part of arranging a dinner to meet with African American supporters at the Hay-Adams. On another occasion, he, as far as I can remember, was involved with a briefing dealing with the African American community. We often had briefings associated with our programs. And he was one of the speakers. And I met with him, I believe on one occasion to update him on the convention preparations. And a component of that was—the main issue was the labor component of that and how label—excuse me, how labor was being included or not included in the finance divisions supporters' base in the operations of the convention.
Question. How would you characterize Mr. Ickes' relationship with the DNC?
Answer. As somebody that was involved with the activities of the DNC.
Question. Did you ever prepare call sheets for either the President, Vice President, First Lady, or the Vice President's wife for calls to be made for fund-raising purposes?
Answer. I may have prepared calls for the principals, but mainly I believe I prepared call sheets for Vice Presidential calls.
Mr. REED. Calls of what—the question was for call sheets.
Mr. CLEARY. Did you prepare call sheets?
The WITNESS. That I prepared call sheets, yes.

EXAMINATION BY MR. WILSON:

Question. And at whose request did you prepare such call sheets?
Answer. I don't know specifically, but I believe it would have been directed by Richard Sullivan on—but I don't know—I can't remember who they actually went

to and then to Richard or if Richard gave them to somebody. I'm not sure what the transfer of the call sheets or the, excuse me, the delivery of the call sheets were.

Question. Was it Mr. Sullivan who asked you to prepare the call sheets?

Answer. I can't recall that specifically.

Question. Do you know who else you worked with in preparing call sheets for the Vice President?

Answer. I was probably one of several that recommended names or prepared individual call sheets. And to the extent that others were doing it, it was in working with them so that there wasn't a duplication of effort probably that I would give. It may have been staff within the trustee or major supporters' program. And I would give them the call sheet so that maybe they didn't prepare the same name or that they gathered up those call sheets and gave them to Richard or they gave them to somebody else. But I don't know who in fact they were given to.

Question. How did you select people to be called?

Answer. People that I thought were strong supporters and who would appreciate hearing from the person that they so strongly supported.

Question. Did you keep track of the results?

Answer. No, I didn't. Although, it had been relayed to me, I think on two occasions, that they acknowledged receiving a call from the Vice President. You never knew when they were going to be done, if they were going to be done at all, so you had other pressing—so you never—it wasn't like you were waiting with bated breath to find out if the call got placed.

Question. Were the call sheets that you prepared ever returned to you with any indication as to whether the calls were made or not?

Answer. Not that I recall, no.

Question. Did you receive any communication as to whether the calls had been made or the calls had not been made?

Answer. No one from the White House ever contacted me and said the call had been made and here are the results. As I stated earlier, to the best of my recollection, on two occasions, I got a call from individuals who had received a call to let me know they received a call.

Question. Did you provide any instructions with the call sheets as to where calls could be made from or how calls could be placed?

Answer. Not at all. That would have been none of my business.

Question. A term of art that's seen in some of the documents we've received is the media fund. Do you know what the media fund was or is?

Answer. I've had always a vague understanding of the media fund. I never knew whether that meant it was a separate account or whether it was an articulation that we communicated as in fund-raising, giving people a schedule or giving them an urgent thing to react to and a goal to achieve. It gives them a sense that they're connected, so I'm not sure whether it was one or the other. I rarely communicated or articulated the media fund, so I'm not altogether sure what media fund really is associated with.

Question. Do you know whether the DNC maintained separate bank accounts for specific purposes?

Answer. Not that I am aware of.

Mr. WILSON. I've given Mr. Mercer a document. It has been premarked EOP 049239. It is a DNC finance call sheet for Vice President Gore. It's marked that it's from Richard Sullivan and Ari Swiller to an individual named Peter May.

EXAMINATION BY MR. WILSON:

Question. Do you recall whether you provided information—did you provide information to Mr. Sullivan or Mr. Swiller to help them prepare call sheets in this format?

Answer. I would have given Richard or Ari or whomever a call sheet that I had produced this one I've never seen before, although I do know the name Peter May, I don't believe I've ever met him, and it looks to be generally the format of a call sheet.

Mr. WILSON. I'd mark this exhibit DM–46 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–46 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you ever suggest to DNC donors that they make contributions to not-for-profit organizations?

Answer. I would say that I have been asked of organizations that might be involved in voter participation and whether or not—who they were or identifying

them, and in addition I have also suggested that others make donations to nonprofit organizations.

Question. Did you keep a list of not-for-profit organizations in your office to send to people if they had requested possible places to contribute money to?

Answer. I may have kept a list on a note card or something at some point, but I don't believe I faxed it out. I could have. But it's only because I believe it was kept on a note card that would not be faxable. But I don't—I'm not for sure whether I've ever faxed something to somebody.

Question. Do you remember any discussions regarding donations by the DNC to Vote Now '96?

Answer. I don't recall a conversation about the DNC contributing to Vote Now '96, but I think that Vote Now '96 was an organization to which we would encourage people or ask about it to identify Vote Now '96 as an organization to contribute to.

Question. Did you ever suggest to individuals to contribute to the National Coalition for Black Voter Participation?

Answer. Yes, I did.

Question. Did you suggest to potential contributors to contribute to Defeat 209?

Answer. I think I've had conversations about 209, and I believe out in California, when I was there for the Unity event in October of 1996, but I don't believe that I directed anybody or suggested to anybody that they make a contribution.

I may have communicated back to the DNC that there were—was an interest for possibly the DNC to contribute to vote now—excuse me, Proposition 209, and that may have been because a donor has raised the issue to me as to what the party's position was vis-a-vis Proposition 209.

Question. Do you recall whether you ever suggested that a DNC donor contribute to Participation 2000?

Answer. Oh, yes. That was more in my position of being a board member than a DNC affiliation, although there are informal relationships with Participation 2000, both in terms of hiring graduates of Participation 2000 or—or referring candidates to go through the program of Participation 2000.

Question. You mentioned just a moment ago that you're a board member. Is this you're a board member of Participation 2000?

Answer. That's correct.

Question. What is the organization, Participation 2000?

Answer. It's an organization chaired—or was chaired, I'm not sure of the current status, by Dick Celeste, former governor of Ohio, former Senator Bill Bradley and former Texas Governor Ann Richards. And rather than having a PAC that just donated contributions to candidates, I believe it was Dick Celeste and Bill Bradley's idea that there be a PAC that contributed to the education and the training of political participation and subsidizing that training of students that worked on campaigns. And so the Participation 2000 took these students through training and then slotted them in campaigns around the country.

Question. Did you, DNC, as an organization ever make contributions to not-for-profit organizations?

Answer. Not that I am aware of.

Question. Did you participate in discussions as to whether the DNC should contribute to not-for-profit organizations?

Answer. I don't believe that I did. I don't recall, I don't think—and I can't think of, you know, I can't think of a situation that that would occur.

Mr. WILSON. I've given Mr. Mercer a document that is seven pages in length, the first page is F 0046580. It states at the top "Directed - Donor Checks Received to Date." And I'm particularly interested in the very first entry in this page mentions—has Mr. Mercer's name on a line next to a donor designated Sony Music Entertainment, Incorporated, date 24 October, and in the state column it's listed National Coalition for Black Voter Participation.

EXAMINATION BY MR. WILSON:

Question. Do you recall asking Sony Music Entertainment, Incorporated to make a $10,000 donation to the National Coalition on Black Voter Participation?

Answer. Specifically, no, but I believe that Sony did contribute and I was probably the one that solicited that contribution or suggested to Sony that they support the National Coalition of Black Voter Participation.

Question. Now, why would you be suggesting for them to support this organization, say, in lieu of making a contribution to the DNC?

Answer. They could have very well made also a contribution to the DNC, but I was in discussions where it was asked if people are interested in supporting the National Coalition of Black Voter Participation, that we identify them as a candidate

for that. And what the discussions are between the National Coalition and the DNC as to why they would be on that list or be recommended as such, I don't know. But in any event, that's what I was asked to do, that if somebody was interested in giving to, you know, Outreach or Voter Participation, Get Out The Vote, whatever, that that's one of them that we would direct it to.

Question. Is it your recollection that in the case of this particular contribution that Sony Music Entertainment approached you about making contributions to the not-for-profit organization mentioned here?

Answer. No, but I believe that they have an external affairs, community affairs, and that the discussion was not so much having overwhelming political contributions but that they are also dealing with external affairs, and that these are the types of organizations that they give to. And my mentioning that National Coalition would—we are friends or we—we appreciate the work that they do, and directing one friend to another friend.

Question. Did anybody at the DNC ever ask you to mention possible contributions to not-for-profit organizations?

Answer. I have been asked to identify donors who may be amenable to giving to voter participation organizations.

Question. And who would have asked you to do that?

Answer. Could have been Brad Marshall, could have been the political division, Richard maybe, but I think it would be at the direction of others down the hall. But I'm not sure.

Question. And when you say the direction of others down the hall, to whom are you referring?

Answer. Political division, Brad Marshall, could have been B.J., B.J. Thornberry, the executive director. I'm not sure.

Question. And why would they have been directing to you make contributions to an organization that was other than the DNC.

Mr. REED. We are getting late in the day. I'm going to object to the form of the question that he was "directed" to.

Mr. WILSON. Well, requested.

The WITNESS. I don't know the answer, because I don't know what conversations took place between them and the coalition or any other of the organizations so I can't answer that.

EXAMINATION BY MR. WILSON:

Question. Did you ever participate in meetings between DNC employees and members of the National Coalition on Black Voter Participation during which contributions were discussed?

Answer. Not that I can recall, no.

Question. Do you recall whether there was any discussion of why the DNC would direct or ask people to make contributions to other organizations than the DNC at a time before the election when the DNC was trying to raise funds for itself?

Answer. No, I don't.

Mr. WILSON. Mark this document Exhibit DM–47.

[Mercer Deposition Exhibit No. DM–47 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you ever speak with Sean Fuhrer who is the director of Participation 2000?

Answer. Yes.

Mr. MERCER. I've given Mr. Mercer a document that's marked DNC 1599069. It is a call sheet.

EXAMINATION BY MR. WILSON:

Question. Do you recognize this to be a call sheet prepared for you?

Answer. It doesn't look like it, but I believe it is though.

Question. Did you have a standard format for call sheets prepared for you?

Answer. Are you kidding me? If you could get somebody to do it, it was ad hoc, month to month, year to year. Whether you had somebody helping you or not it would change. But I believe this is a call sheet that maybe Sara Searles or Mike Standifer had produced.

Question. What kind of group is Participation 2000?

Answer. It's the one that we talked about earlier with the chairs being Dick Celeste, Bill Bradley and the one that I went at length in describing.

Mr. WILSON. This has been marked exhibit DM–48.

[Mercer Deposition Exhibit No. DM–48 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Prior to press accounts about a solicitation of a contribution from Warren Medov had you ever heard the name Warren Medov at the DNC?

Answer. I did not.

Question. Were you aware of any discussions going on at the DNC about a potential large contribution from Warren Medov?

Answer. Not at all.

Question. Did you ever provide names or addresses of not-for-profit organizations for either Harold Ickes or Janice Enright?

Answer. I don't believe I ever did that, no.

Question. Do you recall ever having received a request from Ickes or Janice Enright about not-for-profit organizations?

Answer. No. And I'll say not that I recall. It just seems highly unlikely and that's the reason for my saying no.

Question. Did you ever discuss any activities conducted by tax exempt organizations with White House employees?

Answer. Can you repeat the question?

Question. Did you ever discuss the activities of tax exempt organizations with any White House employees?

Answer. I don't believe I did. And if I did, it may have been because I was invited to an event, you, the Ralph Lauren breast cancer event or something like that. But as it related to DNC or White House business, no.

Mr. YEAGER. Were you referring to a Ralph Lauren event by way of example or illustration or were you——

The WITNESS. I believe I attended a Ralph Lauren charity event for breast cancer as a guest. And you know, that was a social—there was a friend that invited me to attend.

EXAMINATION BY MR. WILSON:

Question. Were you ever given bank account numbers for Vote Now '96?

Answer. Not that I recall, no.

Question. Were you ever given bank account numbers for the National Coalition of Black Voter Participation?

Answer. I could have, but I doubt that I was, that I was in receipt of bank account numbers. In fact, yeah, I don't recall ever receiving their bank account numbers.

Question. Did you ever have the bank account number for Defeat 209?

Answer. No.

Mr. REED. How long do we have to go?

Mr. WILSON. Probably about half an hour.

The WITNESS. Let's go.

Ms. CLEARY. Is there any way to shorten this? This is getting a little bit ridiculous after almost two full days.

Mr. REED. Let's just keep going. I'm going to have to break in a few minutes to make some phone calls for scheduling purposes.

EXAMINATION BY MR. WILSON:

Question. Do you know whether the DNC was ever requested to provide a list of Chinese American trustees to the Taiwan Economic and Cultural Representative Office in the U.S.?

Answer. Not that I'm aware of.

Question. Have you ever met an individual named Andrew Shi, S-H-I?

Answer. Vaguely sounds familiar, but I don't know who that is.

Question. Do you know who Steve Boyd is?

Answer. If you can give me some context. Boyd just sounds familiar.

Question. I actually can't, and I would if I could. I can provide you a document with his name which might provide context.

Answer. Yeah.

Mr. WILSON. I've given Mr. Mercer a document that's numbered DNC 1781772. It is a memorandum from Ari Swiller and Nancy Burke to Steve Boyd?

Answer. I have not seen this, and I don't know who Steve Boyd is. I'm going through my mental Rolodex and it doesn't ring a bell.

Mr. WILSON. This document is marked Exhibit DM–49.

[Mercer Deposition Exhibit No. DM–49 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Did you ever suggest that donations be made to the Back to Business organization?

Answer. Never.

Question. Do you know what the Back to Business organization is?

Answer. Only recently through press accounts. And I'd have to even get—have my memory refreshed as to what its objective was. I've seen it recently, but I'm not sure what its objective was.

Question. Did you participate in any discussions about large scale media purchases during the latter part of 1995?

Answer. Not at all. Except to say that in large staff meetings we would be shown video of ads that were getting ready to go up, but I didn't participate in discussions of the buys or where the buys would be made or where they were airing.

Question. Did you ever discuss with potential DNC donors that you would like them to contribute to help to purchase media buys in the latter part of 1995?

Answer. I don't recall doing it. I mean, I could have if we were asked to. But I—I have no recollection of getting on the phone and calling people for media buys and having that kind of discussion with them.

Question. Do you know whether funds were ever advanced to state parties in order for state parties to purchase media, make media buys in the latter part of 1995?

Answer. I'm not aware of that.

Question. Do you know of a consulting firm called the November Group?

Answer. I do now through—I've heard of it probably over the last several years. I didn't have an association, but I certainly have an association now due to press accounts.

Question. What do you recall now about this November Group prior to November of 1996?

Answer. Just being a consulting group and not knowing who the partners were or anything but just hearing of the November Group as one of many consultants here in Washington.

Question. Do you know whether the November Group performed any services for the DNC?

Answer. I don't know that for a fact.

Question. Do you know what types of services the November Group was able to perform or did perform?

Answer. I do not.

Question. Do you know Martin Davis?

Answer. I know the name now from press accounts.

Question. Did you know Mr. Davis or of Mr. Davis prior to November of 1996?

Answer. No, I didn't.

Question. Did you know or know of Mr. Malchow, M-A-L-C-H-O-W, prior to November of 1996?

Answer. Yes, I did.

Question. How did you know Mr. Malchow?

Answer. I knew of him. I don't believe I've ever met him, but being our direct mail consultants at the DNC.

Question. Did you ever work with Mr. Malchow?

Answer. No, I did not.

Question. Do you know who Bill Hamilton is?

Answer. No, I don't believe I do.

Question. It's my understanding he's the director of political affairs for the Teamsters. Have you ever had any dealing with Teamsters or their employees as in your official capacity at the DNC?

Answer. I may have placed a call, but I've no recollection of dealing with the Teamsters, and I say place a call like in preparation for the convention or, you know, somebody may have called me and that's quite possible. But I never had an ongoing relationship, if at all ever spoke to anybody from the Teamsters.

Mr. WILSON. I've given Mr. Mercer a fax transmission. It's on the November Group, Incorporated letterhead. It's to Mr. Bill Hamilton from Martin Davis, dated August 10, 1996.

Mr. YEAGER. Counsel, I don't see a Bates label on this document.

Mr. WILSON. This has not been produced to us by either Mr. Ickes, White House, or the DNC, and I'm not sure where this document was obtained from. It is a document that I've only seen in the last day or so. And it does not have Mr. Mercer's name on it, and perhaps I was going to ask him, first of all, about the second page

of the document, which is a memorandum from Richard Sullivan to Martin Davis. If you could just take a second to review the information on it.

The WITNESS. I have.

EXAMINATION BY MR. WILSON:

Question. Do you know whether you helped to prepare this document for or with Mr. Sullivan?

Answer. I've neither seen any part of this document, nor did I have any—or provide any assistance in producing the document, creating the document and also producing it. This is the first I'm seeing it.

Question. Did you participate in any discussions that involved discussing contributions of money to state parties from the Drive PAC?

Answer. From this Drive Political Fund?

Question. Yes, the Drive Political Fund?

Answer. No, I did not.

Question. Do you know what the Drive Political Fund is?

Answer. No, I do not.

Question. Did you ever provide any names of donors to either Ron Carey or any Teamster employees?

Answer. To the best of my knowledge, I never did that.

Question. Did you have any communications with either Ron Carey or teamster employees during your time in the DNC?

Answer. I don't think I've ever met Ron Carey, and I'd be hard pressed to identify somebody who works for the Teamsters.

Mr. YEAGER. If I could just note one thing about this document, on the first page it appears to be a date, August 12th, 1986 or is that a 96?

Mr. WILSON. I believe that's 1996.

Mr. REED. It is a bad fax, but on the second and third page it's the same fax notations and it appears to be 96. Third page has July 17, 1997, on it.

Mr. YEAGER. I see.

Mr. REED. It suggests that it was faxed twice.

Mr. YEAGER. While I'm interrupting I may as well ask, Counsel, has this document been produced in response to a document request issuing from this committee?

Mr. WILSON. I'm not certain of that. I'm not certain. I was provided this document by a member of our staff. I think somebody might have sent this document to the committee independently of the document request. But I am not sure of that in fact. I only have a couple more questions for you on this.

EXAMINATION BY MR. WILSON:

Question. Do you know whether anybody from the DNC ever contacted any of the DNC donors and asked them to make contributions to Ron Carey's Teamster presidential campaign?

Answer. I'm not aware of that.

Mr. WILSON. I've marked this document Exhibit DM–50 for inclusion in the record.

[Mercer Deposition Exhibit No. DM–50 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know of a committee called Teamsters for a Corruption-Free Union?

Answer. No, I do not. Let me qualify that to say there's been a recent document request and I believe I saw that as among the document—I mean, among the entities listed in that document request. But I did not know of them prior to receiving that document request.

Question. Prior to November of 1996 you had not heard of Teamsters for a Corruption-Free Union?

Answer. No, never.

Mr. WILSON. I've given Mr. Mercer a single page of handwritten notes that's marked DNC 3036428.

[Mercer Deposition Exhibit No. DM–51 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know whose handwriting this is?

Answer. I am guessing that it's Richard Sullivan's because from a recent press account listing the notations on the top of here and referring to it being a Richard Sullivan document and this appears to be the original—a copy of the original that

was referenced in an editorial maybe over the weekend or last week. So I would guess it was Richard's handwriting.

Question. Having seen this, are you aware of any discussions about Teamsters for a Corruption-Free Union prior to November of 1996 that took place at the DNC?

Answer. No, I'm not.

Mr. WILSON. This document has been marked Exhibit DM–51 for the record.

EXAMINATION BY MR. WILSON:

Question. Are you familiar with the telemarketing firm called The Share Group?

Answer. Yes, I am.

Question. Did The Share Group perform any services for the DNC?

Answer. I had only recently, as of June, found out that they did, and that we—I was working on an event in Boston that was scheduled for June 30th and they couldn't—they did phone banking for us and in the course of talking with them, or with getting a reference of using them, found out that the former President or President had been involved in the Teamsters. The current President or acting President is a George Bacharach I had known as a former candidate for the 8th congressional district of Massachusetts, who was helping us on preparations for that event and we had contracted with that company to do some phone banking for us. I believe the bill was $7,000. And that's what I recall of The Share Group.

Question. Before November of 1996, had you ever heard of The Share Group?

Answer. No.

Question. Do you know an individual named Michael Ansara of The Share Group?

Answer. I now know the name from press accounts and I believe his name was mentioned in a conversation with the executive director of the state party of Massachusetts who, when I was asking about The Share Group, had told me about the circumstances around the Teamsters.

Question. Prior to November of 1995, had you ever heard of Michael Ansara?

Answer. No, I don't believe I did.

Question. Are you aware of any discussions at the DNC or did you participate in any discussions where it was mentioned that the Teamsters were giving money to other unions? And this is prior to November of 1996.

Answer. Like giving money to the AFL-CIO?

Question. Yes.

Answer. No, I never knew that.

Question. Just two very minor things to sort of recapitulate previously. I ask you about DNC gala videos. Did you keep copies of the DNC gala videos yourself?

Answer. Now that you mentioned it, I may have a copy of the Ron Brown video that was—I believe he died in April of 96, and I may—and then we had a tribute at the gala to him. And I may have gotten a copy and/or also been requested to get copies on behalf of others that had an interest in getting that video.

Question. Do you know whether copies of this video were made available in any of the document production requests that you received?

Answer. I don't know that, and I will go back to my office and see if I have a copy and put it in production.

Mr. REED. I don't know if it was called for or not. I just don't know.

The WITNESS. I don't either. I can't recall it being called for.

EXAMINATION BY MR. WILSON:

Question. Do you know who arranged for photographers at DNC events?

Answer. I believe our events directors or coordinators.

Question. Did your office ever call for a DNC photographer to attend a meeting or be in any event that was going on at the DNC?

Answer. Did I, myself——

Question. Did your office ever ask for a photographer?

Answer. The finance division?

Question. Yeah.

Answer. Well, I think the finance division has contracted with and called for photographers to take pictures at our events.

Question. Did you have in-house photographers at the DNC?

Answer. I don't believe we had in-house. I believe it was a subcontract.

Question. Do you know who the subcontractors were?

Mr. YEAGER. Counsel, I hesitate to object at this late hour, but I think we have been over this.

The WITNESS. I am not involved with the contracting. I have seen the guy and a different guy—two different photographers, but I don't know what the arrangement is and I can't even remember their names.

Mr. WILSON. I've given Mr. Mercer a document that's numbered DNC 3168075. It is a memo from Bobby Watson to Chairman Fowler and Chairman Dodd. And I'm most interested in a reference here to—at the end of the first paragraph, to copies of checks to an individual named Mark Klaas.

EXAMINATION BY MR. WILSON:

Question. Were you aware or do you know if the DNC had retained Mark Klaas for any purpose?

Answer. I don't know who Mark Klaas is. I don't know know what he does and didn't know if we had a relationship with him, if at all.

Mr. REED. I would also note for the record that there is no indication on this document that Mr. Mercer ever was the recipient of the document, that it was directed to him and that it would have been within miles of a reasonable purview of his duties and responsibilities at the DNC.

Mr. WILSON. Okay. This document is marked Exhibit DM–52.

[Mercer Deposition Exhibit No. DM–52 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. I'm reviewing a document that discusses a Fox Newscast event and I would give you a copy of it, but I don't have more than one copy right here. It discusses a hidden camera used to obtain a news report for Fox News.

Mr. YEAGER. Counsel, I would have to object. You are characterizing a document that I haven't had a chance to look at and neither has Mr. Mercer.

Mr. REED. Why don't we take a break and you go make a copy.

Mr. WILSON. This is the last question I am going to ask. I can pass it around or handle it any other way but rather than take more time with this.

Mr. YEAGER. Why don't you go ahead?

Mr. WILSON. I wanted to ask Mr. Mercer's for his characterization of what is in this document.

Mr. YEAGER. I would feel comfortable if you handed it to Mr. Reed to look at.

Mr. REED. I don't object to you asking a question, but let me just take a quick look at it.

(Document proffered to counsel and witness.)

Mr. REED. Have you seen it?

Mr. YEAGER. I haven't actually. I'd like to look at it when you're finished.

Mr. REED. It's EOP 030601. We'll have a chance to look at it at the break and take some notes, but why don't we let Michael take a look at it. Why don't we let Mr. Mercer take a look at it and then you take a look and you may have some follow-ups later on.

The WITNESS. I've had a chance to look at it.

Mr. YEAGER. Can I have a chance to look at it?

The WITNESS. Sure.

EXAMINATION BY MR. WILSON:

Question. Did you know that a hidden camera had been used to record a conversation between another individual and yourself regarding White House coffees?

Answer. Obviously after the fact.

Question. It states here that Lewis asked Mercer how much would it cost to sit next to Stephanopoulos at a dinner. Mercer respond $100,000. Do you recall having made that comment?

Answer. I don't specifically recall making that comment, but if I did, I believe it would have been in a very sarcastic vein, and that being that Stephanopoulos—I never remember ever seeing him at one of our fund-raisers, and I think it was at that point in the conversation of talking with Mr. Lewis, who was—it was getting to me that he was peppering me with questions that I may have responded to him sarcastically but I don't recall specifically that except the sense of being peppered about questions.

Question. Do you recall the context of Mr. Lewis—did Mr. Lewis ask to have a meeting with you?

Answer. Yes, he did.

Question. And do you recall, did you meet with him?

Answer. Yes, I did.

Question. Where did you meet with him?

Answer. I believe it was atop the Hyatt Regency, Hyatt Regency restaurant.

Question. Where?

Answer. On New Jersey Avenue.

Question. And do you recall what Mr. Lewis specifically asked you?

Answer. He wanted an overall understanding of our programs. And so I took him through every program we have. I tried to educate him as to how we were structured and what the activities of our programs were.

And, you know, tried to—he seemed to be somebody who was needing to be educated, and so I tried to give him the best understanding I could, and also, you know, injecting some of my personal sense because it started to go there, in terms of broad sense of what's going on, and that was the nature of television.

Question. Was it your understanding that Mr. Lewis was a potential donor to the DNC?

Answer. It was my understanding that he was a prospective donor in addition to knowing how to participate in the process, or learning how to participate in the process.

Question. It states on the second page of this document that Mercer also told Lewis that if they attended congressional fund-raisers together that Democratic Members of Congress would understand that they should take Lewis seriously. Do you recall having a conversation with Mr. Lewis about attending congressional fund-raisers?

Answer. I don't think that's an accurate statement. I don't ever remember making that statement. And this appears to be secondhand information, so I have no recollection of making that statement.

Question. Do you remember what you did tell Mr. Lewis? About—first of all, do you remember whether there was a discussion of attending congressional fund-raisers?

Answer. I don't recall a discussion about congressional fund-raisers.

Question. Do you recall whether you made any suggestions to Mr. Lewis about whether or not he would be taken seriously in any context?

Answer. I do not recall that, other than if he was a member of one of our programs, people would understand that he was a member of our program and be treated accordingly.

Mr. WILSON. That concludes my round of questioning.

Mr. REED. We need to take about a 10-minute break and then you have a few questions?

Mr. YEAGER. Yes.

[Recess.]

Mr. YEAGER. Mr. Wilson, are you finished?

Mr. WILSON. If I could just one last ministerial thing, and that is introduce the last document we were speaking about.

[Mercer Deposition Exhibit No. DM–53 was marked for identification.]

Mr. REED. Did you get some copies made?

Mr. WILSON. Exhibit DM–53, and I did not get copies made, which won't apply to you so much as you don't get to keep the copies anyways. And I apologize for that, but if you would like a copy.

Mr. YEAGER. I would like a copy at a convenient time. Actually if you are done with that ministerial act, I would like to ask a question, follow-up question about that document.

Mr. WILSON. I am done with ministerial acts and anything else, I think.

EXAMINATION BY MR. YEAGER:

Question. First of all, Mr. Mercer, on behalf of the Minority Members of the committee, the Members of the Democrat Party, I'd like to thank you for coming here today voluntarily and for the amount of time that you have devoted to this deposition and to testifying before this and other bodies. I know it has been a burden to you. And I'll ask you some questions about that later.

Answer. Sure.

Question. But before we get to that, I'd like to turn your attention once again to Exhibit DM–53, and the subject that that document raises.

With respect to the Sheila Kaplan story, I guess I'd like to bring you out a little more on how you were approached and how the discussion, if any discussion, turned to the subject of coffees. Do you recall how you were approached?

Answer. I believe I received a phone call from Mr. Lewis asking if he could meet with me. And I don't know if we first met or he came by the office or whether I had just met him at the Hyatt Regency restaurant on New Jersey Avenue. And I don't recall specifically there being a discussion of coffees, but in the course of going through all of the donor programs and the activities, the coffees could have been mentioned. And, you know, what I noticed eventually with Mr. Lewis was his focus on the perks and benefits accruing to members of the—of the various donor programs and trying to elicit from me my perspective of how things functioned. And

I tried to explain to him, you know, both functionally how the programs operated and to some degree there would be an overemphasis of certain elements involved in those programs that he would keep directing attention to.

So in the discussion I could have emphasized coffees with him, emphasizing coffees to be responsive to him. But I don't recall there being a discussion of coffees per se. But he did try and direct an emphasis to certain perks and benefits.

Question. So that may have affected the course of your conversation if he was particularly interested in one aspect of the major donor program?

Answer. Yes. And it, in fact, did from the standpoint that the questions—I felt like I was almost under interrogation and so many different examples that he would ask me for that I started to inject sarcasm into the conversation.

Question. Okay. You testified earlier with respect to coffees that they were a part of the major donor program, though one element of the major donor program. Was it your understanding that a supporter of the Democratic Party could not attend a coffee if that supporter didn't make a contribution of a certain level to the DNC?

Answer. I don't think I ever addressed that issue. I think it was more were they members of the trustee program or major supporters program. Or in the case of the DBC, I mean, in general, it had to be the supporters of our programs who were invited to—or who would be recommended or suggested. That was the pool of people from which we drew to include on the list— recommended list of participation.

Mr. REED. When you say you drew, meaning the finance department?

The WITNESS. Yeah. But from what I understand, there were other—there were requests made of other divisions for the people that they worked with and the supporters they worked with to participate in coffees. It wasn't just a finance division recommendation; there were other divisions that recommended participation or individuals to participate in the coffees.

EXAMINATION BY MR. YEAGER:

Question. You weren't aware of anybody who had been disinvited from a coffee because they had not contributed a certain amount of money?

Answer. No, I'm not aware of that or, for that matter, for any other reason disinvited.

Question. And you're aware that supporters of the DNC who did not contribute also attended White House coffees?

Answer. I am aware of that.

Question. Okay. You have testified at various points today about your efforts in among various Democratic constituencies in the country. Would you say that one of the goals of the DNC is to mobilize support from various constituencies within the party?

Answer. I would not only say that, but I personally believed that it's, one, traditionally not an area, at least the finance division. There has been times that I have been the only African-American on staff in the finance division, and it was an area traditionally that African-Americans or other constituents had not been involved in. So I took it upon myself and saw it as part of my job informing them of this vehicle for additional participation in the political process as well as with the party. So, to me, it was both an educational vehicle as well as a fund-raising vehicle.

Question. You have just testified to your efforts among the African-American community, and you have given testimony earlier today about the Asian American community. Were there other fund-raising efforts not necessarily by you but by other members of the finance division directed toward Latinos?

Answer. Yes, there were.

Question. And Jewish Americans?

Answer. Yes.

Question. And women?

Answer. Especially.

Question. And seniors?

Answer. I don't know that to the extent we are discussing, but I believe there may have been one event or discussion of such.

Question. It was not unusual for various fund-raisers to direct their efforts toward certain constituencies?

Answer. Not at all.

Question. And so there was nothing unusual about fund-raising efforts targeting the Asian American community?

Answer. No.

Question. Okay. One of the members of our committee, Congressman Condit, has asked that in each of these depositions we ask witnesses questions about the dupli-

cative nature of their testimony and production of documents. I don't mean to offer you a conclusion; I'm asking you for your testimony.

Have you been asked by other investigative bodies to testify or give evidence on fund-raising and other matters investigated by this committee?

Answer. Yes, I have.

Question. Who has asked to you testify and provide evidence?

Answer. The Senate Government Oversight Committee, the House Government Oversight Committee, DNC staff, DNC press communications office, the FBI, and I think that's it.

Question. Directing you toward the Senate, you were asked to appear for an informal interview?

Answer. That was the first occasion; and then I was invited to sit with them on an informal interview, yes.

Question. And you have been questioned by the FBI?

Answer. Yes, I was.

Question. And have you appeared before grand jury?

Answer. No, I have not.

Question. Okay. Would you say the questions from all of these investigative bodies have overlapped or been duplicative of the questions of this committee?

Answer. For the most part, yes.

Question. You have produced documents to your employer as part of this investigation, have you not?

Answer. Yes, I have.

Question. And to the best of your knowledge, the DNC has produced documents to the various bodies investigating campaign fund-raising practices?

Answer. To the best of my knowledge, they have.

Question. And that would include the Senate Governmental Affairs Committee?

Answer. Correct.

Question. And the Justice Department?

Answer. I believe that, but because I haven't been before the Justice Department in any way or presented with documents, I can't be conclusive about that.

Question. And they've produced documents in this committee also?

Answer. Correct.

Question. Can you estimate how much of your time you spent in responding to requests to this committee for testimony or documents? And I'm actually asking you to try as best you can to calculate the total number of hours you spent looking at documents, reviewing documents, preparing for interviews and depositions and actually testifying.

Answer. I'll state—to give you a sense, I didn't go home for Christmas—I didn't go home for Christmas vacation until the 27th in order to comply with the first search for documents; and a lot of that being that I was on the road, as I stated before, in '96 in California. So I came back to a whole series of requests that I had to meet.

If I can enumerate the period of time I've spent one by one and then the total will be obvious, but I would say probably 4 to 5 days in answering the first search, and that involved—it was at a time when I had to go through every—do searches on every name that may have been listed through the computer because the system had not been set up at that point where the DNC overall could do the search. So I had to go through all of my computer records, in addition to the paper. But it was the computer stuff that was more time consuming, and there were late nights and probably about 5 straight days of trying to answer the first request for documents.

There have been two subsequent searches for documents, I believe, maybe three more. I would say that those have totaled a combined 8 days of making sure that I was responsive to those and in going through, just making sure as a cleanup that I had been responsive to preceding document searches.

And then my hours in the Senate have been—I believe it was probably a half a day, if my memory serves me, of the interview; and I think I spent another 2-1/2 days interviewing—being deposed in the Senate.

And then the FBI last week and then for about an hour. Then here for the last 2 days. And then for every day that I spend in—that I spend with a body investigating this, I spend probably an equivalent day or half a day with attorneys just getting in the frame of mind of going before those bodies.

Question. Are you taking time away from work to do all this work that you have just testified to?

Answer. I have. And it has been—you know, it has been a juggling act to, one, have it just hovering over you while also performing your duties; and it's just the whole aura, you know, of the media accounts.

One of the biggest things is that especially October, November, December, January of last year when the legal process hadn't even kicked into gear or the congressional committees had not been kicked into gear, every day we were involved, aside from raising money, in responding to the untold amounts of press inquiries every single day. So you—and trying to search back information or whatever. So that was additional time spent on this in trying to be responsive and informative as to past activities.

Question. Have you or has the DNC as your employer incurred expenses in responding to the demands of this committee?

Answer. Both have. There's an agreement for the DNC to cover my legal expenses, but if for some reason they decided—or decided to not pay those bills I'm ultimately responsible for them.

Question. And do you know if this committee has offered to reimburse you for your time or for your expenses?

Answer. I know of no such offer.

Question. If it's available to you, will you seek reimbursement from the committee?

Answer. If it were available and I knew that was a financial recourse and I was in a situation where the DNC wasn't paying for it, it is certainly a recourse that I would seek out.

Mr. YEAGER. Okay. I thank you for coming today and for your testimony.

The WITNESS. Thank you.

EXAMINATION BY MR. WILSON:

Question. Just one follow-up question to Mr. Yeager's questioning.

Referring to the Fox News broadcast that we were discussing, you noted that you used sarcasm when you spoke to Mr. Lewis about perks. How was Mr. Lewis different than others who made requests of you about perks, people like Charlie Trie or Johnny Chung?

Answer. It was clear to me eventually that Mr. Lewis—and I don't think I've ever asked if he was or had given to political campaigns before or been involved—but it was clear to me that he didn't have any idea of how one would become a donor or participate in the process as a donor. And—but then they started getting very picky about, you know, exactly—almost as if he would lay out a contract and ask me to sign at the end of the conversation, you know, saying that this is what you would get.

And I don't believe that I've ever communicated to him—I tried to create for him the environment as opposed to any guarantee of certain things happening, as in this business we all know that there are no guarantees, so.

Mr. WILSON. Mr. Mercer, thank you very much for giving your time to come here.

Mr. REED. Thank you.

[Whereupon, at 6:40 p.m., the deposition was adjourned.]

[The exhibits referred to follow:]

DAIHATSU
INTERNATIONAL TRADING INC.
USA OFFICE
Corporate Building, Suite L150
[illegible] South Louisiana, Little Rock, AR 72201
HONG KONG OFFICE
[illegible] Flat A 51 Patterson Street
Causeway Bay, H.K.
CHINA OFFICE
China Overseas Trade Shenzhen Co.
Room 2905-2907 Block B
Jinrong Bldg. No. 10, Aigue Road
Shenzhen City, Guangdong Province
P.R. China

FAX MESSAGE

For Incomplete Transmission, Please Call (501) 370-9522.
FAX Number: 370-8989

DATE:	August 24, 1994
TO:	D.N.C.
ATTN:	David Mercer
FAX Number	(202) 863-8091
RE:	Requested Information
Pages:	5

Dear Mr. Mercer:

Thank you for your FAX summary dated August 18. As per your request, I have included some information about Mr. Trie, Daihatsu International, and Mr. Ng Lap Seng (Mr. Wu). Please note that P.II of his information is from the proposal we submitted on the Camelot Hotel.

Mr. Trie will be in Washington on September 20 for an interview with the Board of Directors of Watergate South. In your summary, you mentioned that Mr. Trie would recieve notification of the activities of the trade mission holding open the possibility of participating in some of the events. We have received notice that the possiblity of hosting a reception will not be available, but as of this date Mr. Trie has not received a schedule of activities in which he could take part as a guest. Any additional information is appreciated.

As always, we appreciate your time and assistance in these matters. I know Mr. Trie is looking forward to visiting with you when he is in Washington. If you have any questions or require additional information, please feel free to contact me at any time.

Sincerely,

Jody A. Webb
Consultant

at (501) 370-9522.

EXHIBIT
DM-8

Confidential Information

DNC 1277750

DAIHATSU
INTERNATIONAL TRADING INC

USA OFFICE
Lafayette Building - Suite L150
523 South Louisiana, Little Rock, AR 72201

HONG KONG OFFICE
6 Floor, Flat A 51 Paterson Street
Causeway Bay, H.K.

CHINA OFFICE
China Overseas Trade Shenzhen Co.
Room 2905-2907 Block B
Jintong Bldg. No. 16, Aiguo Road
Shenzhen City, Guangdong Province
P.R. China



OPENING THE DOOR TO CHINA

It's been called the world's most dynamic market. With 1.17 billion people, China offers a monumental opportunity for American companies. However, to be successful in China it helps to have a guide with first hand knowledge.

Company President - Yah Lin "Charlie" Trie:

Extensive import and export experience in China.
Accomplished entrepreneur.
Member - Small Business Exporters of America.
DNC Managing Trustee Program Member.

In China, access and trust are essential elements of any business venture. Over the years, Mr. Trie has developed a personal relationship with a number of senior government officials in China. This type of association gives Daihatsu International a distinct advantage in arranging and facilitating joint ventures and other commercial projects.

Scope of Services:

Advice on viable investment opportunities.
Selection of appropriate location and partners.
Contact and negotiation with appropriate officials.
Preparation of legal documents.
Marketing and sales consulting.

Daihatsu International Trading Company currently represents over thirty companies in the United States, Hong Kong, and the People's Republic of China.

The Company:

Based in Little Rock, Arkansas.
Offices in Hong Kong, Beijing, Hangzhou, Shenzhen and Changchun City.
Specializing in product import and export.
Aggressively seeks joint venture projects.

Mr. Trie believes it is very important to further relations with China, and is committed to promoting cooperation, understanding and good will. He has seen China's need for modern technology and new products. If you are considering expanding into China, let Daihatsu International open the door to opportunity.

For more information contact Jody Webb, Public Relations Consultant at (501) 370-9522.

Confidential Information

DNC 1277751

DAIHATSU

INTERNATIONAL TRADING INC.

Yah Lin Trie

My family fled from China in 1949. After living in Taiwan for 15 years, I moved to Arkansas. I have lived here for 17 years and consider Little Rock to be my home. I am also proud to call President Bill Clinton my friend of 13 years. I have owned several restaurants in Central Arkansas including Nan King Restaurant and Fu Lin Restaurant. I went on to develop Fu Lin as a chain of successful dining establishments. From there, I established Daihatsu International, a trading company which has been involved with import/export markets in Hong Kong, China, Taiwan and the United States.

The goals of my efforts has been to establish a working relationship between China and Arkansas and to promote goodwill and understanding between the people of these great countries. Over the course of time, I have developed a personal relationship with a number of government officials throughout China. This type of relationship has allowed me to convince these officials to give Arkansas high consideration in providing needed products and services. In August, I had the honor of hosting twenty-one senior economic officials representing the central government and thirteen provinces. The purpose of their visit was to participate in training sessions on U.S. Revenue and Fiscal Policy which were arranged by my company. I was also instrumental in establishing a Sister City relationship between Changchun City, China and Little Rock, Arkansas.

As President of Daihatsu International, I act as a consultant in the location, purchase and sale of various products and services. I also aggressively recruit companies that who are interested in establishing joint venture projects. Currently, I represent over thirty companies in the United States, Hong Kong and China. The People's Republic of China is changing, and I have seen the results first hand. The government officials have been exposed to the capabilities of a market economy in Hong Kong and are very interested in American culture. Furthermore, China recognizes the need for modern technology and improved services. Therefore, it is my hope that relations between the United States and China will continue to improve, as I believe a closer relationship would be of mutual benefit.

523 S. Louisiana, Ste. 150 • Little Rock, Arkansas 72201 • (501) 370-9522 • FAX# (501) 376-8989
Room 2905-2907 Block B, Jintong Building No. 10, Aiguo Road • Shenzhen City, Guangdong PRChina
(755) 5528-575 • FAX # (755) 5525-453

Confidential Information

DNC 1277752

12/03/96 DNC Finance 9:09:26
Executive Summary

Yah Lin Trie
Watergate South
700 New Hampshire Avenue, NW
Number 121
Washingtonk, DC 20037

Group I

W: F:
H: [redacted]
T:
O: owner-president
E: Daihatsu Internation
C:

W: F:
H: [redacted]
C:
S:
DOB: 0/00/00 SSN:

WRITTEN 1996 Total: 12,000 1995 Total: 0 INDIVIDUAL

Date	Amount	Comment	Solicitor	Fundraiser	
9/04/96	2,000	GALA - CHICAGO CONVENTION		John Huang	FV1
5/17/96	10,000	POTUS ASIAN DINNER - HUAN		John Huang	F01
8/09/94	20,000	BC VOTER OUTREACH DINNER		David Mercer	N03

WRITTEN 1996 Total: 0 1995 Total: 0 COMPANY

Date	Amount	Comment	Solicitor	Fundraiser

RAISED

Name	Amount	Event	Date

PARTICIPATION

Date	Activity

EXHIBIT
DM-9

DNC 3078821

DRAFT #2
as of 8/2 (2:00 A.M.)

DNC PRESIDENTIAL BIRTHDAY CELEBRATION
SUMNER WELLS ESTATE
FORT WASHINGTON, MARYLAND
AUGUST 2, 1994

CHAIR

ERNEST GREEN (Phyllis)	Managing Director, Lehman Brothers FOB/DNC Managing Trustee

CO-CHAIRS

Maya Angelou	Inaugural Poet/Professor, Wake Forest University FOH/Strong Clinton Supporter
Don Barden (Spouse)	President, Barden Communications Early Clinton supporter/Event Co-Chair
Don Cameron (Sherry)	Guest of Keith Geiger, National Education Assoc. Strong Supporter Clinton/DNC & Managing Trustee
Johnny Chung (Guest 10)	New DNC Trustee
Mel Clark (Renee Y. Banks)	President, Metroplex Corporation DNC Managing Trustee
Euguene Jackson (Phyllis)	President, World African Network New DNC Trustee
Willie Gary (Gloria)	Managing Partner, Gary Williams, Parenti, et. al Strong DNC Supporter/DNC Trustee
Jesse Hill	Chairman, Atlanta Life Insurance Company Strong Clinton Supporter
Robert Johnson (Butch Lewis)	President, Black Entertainment Television Strong Clinton Supporter/DNC Trustee

EXHIBIT
DM-10

Confidential Information

Richard Mays (Jenny)	Managing Partner, Mays & Crutcher FOB/DNC Deputy Treasurer DNC Finance Vice-Chair
Linda Johnson Rice (Andre)	President, Johnson Publishing Company New DNC/BLF Member
Lottie Shackelford	FOB/DNC Vice-Chair
Charlie Trie (Guest)	FOB/Managing Trustee
Andrew Young	Former Carter UN Ambassador Strong Clinton Supporter/New DNC BLF Member

GUESTS

Gayle Andrews (Guest)	President, Andrews Plus Strong DNC supporter
Joe Barnes	Partner, Barnes, McGhee, Neil, et. al. Strong DNC supporter/BLF Member
Margo Briggs (Fernal)	President, Briggs Security Strong Clinton & New DNC/BLF Member
Bishop H. H. Brookins (Spouse)	AME Minister FOB/Early Clinton Supporter
Frank Brooks (Robin)	President, Brooks Sausage Strong Clinton & DNC Supporter/BLF Member
Keith Butler	New DNC NFC Member
Yolanda Caraway	President, Caraway & Associates DNC Member
Demetrius Carney (Guest)	Partner, Carney & Brothers

Bert Mitchell (Guest)	Chairman, Mitchell/Titus & Company New DNC/BLF Member
Virtual Murrell	President, Green-Murrell & Associates DNC Supporter
Gene Newton, M.D. (Maeonia)	President, Urban Health Systems, Inc. Strong Clinton & DNC Supporter/New BLF Member
Don Peebles	President, R. Donahue Peebles Company DNC Supporter & BLF Member
Malcolm Pryor (Guest)	Partner, Pryor, McClendon & Counts Strong Clinton & DNC Supporter/BLF Member
Kailas Rao (Randy)	
Herman Russell (Guest)	Chairman & CEO H.J. Russell & Company Strong Clinton & DNC Supporter/New BLF Member
Hon. Kurt Schmoke	Mayor, Baltimore, MD Strong Clinton & DNC Supporter/New NFC Member
R.K. Sehgal (Guest)	Associate of Andrew Young President, LAW Companies Group, Inc. New DNC/BLF Member
Tess Serranti (Guest)	Partner, LeBoeuf New DNC/BLF Member
Betty Shabazz	Widow of Malcolm X/Professor Megar Evers College DNC BLF/WLF Executive Board Member
Donnie Simpson	Radio Talk Show Host, WPGC Guest of Aretha Franklin event Vice-Chair
Gail Keman	Guest of Aretha Franklin event Vice-Chair
Tammy Robinson (Guest)	Guest of Aretha Franklin event Vice-Chair
Jane Soohoo (John Huang)	Wife of John Huang, DNC Trustee Strong Clinton & DNC Supporters

Barbara Skinner	Guest of Eugene Jackson/DNC Trustee Event Co-Chair
Marianne Spraggins	Investment Banker DNC Member/BLF Member
Joseph Suggs	
Percy Sutton	Chairman, Inner City Broadcasting DNC/BLF Member
Johnny Swanson	Chairman & CEO, Swanson Group New DNC/NFC Member
LeBaron Taylor	Vice-President, Sony, Inc. New BLF Member
Jeff Thompson (Guest)	Partner, Thompson, Curtis, Pazilo Strong Clinton & DNC Supporter/New BLF Member
Alphonso Tindall	Vice-President, Greenberg, Taurig, & Hoffman New NFC Member
Mae Ley Tom	Vice-President, Cassidy & Associates DNC/NFC Member
Maria Elena Torano (Guest)	Chairman & CEO, META DNC Trustee
John Utendahl (Spouse)	Chairman, Utendahl Partners, L.P. New DNC/BLF Member
Otis Warren	New DNC/NFC Member
Nicole Willis	Guest of Gene Hale, DNC NFC Member
Alonzo Williams, M.D. (Spouse)	President, Surgery Center of Arkansas, P.A. FOB & DNC Supporter/BLF Member

Confidential Information



VIP'S/ELECTED OFFICIALS

Hon. Ron Brown (2)	Secretary, Commerce
Hon. Henry Cisneros (2)	Secretary, HUD
Hon. Mike Espy (guest 4)	Secretary, Agriculture
Hon. Hazel O'Leary (guest)	Secretary, Energy
Hon. Federico Pena (guest)	Secretary, Transporation
Hon. Richard Riley (guest)	Secretary, Education
Joan Baggett (guest)	Assistant to the President Director, Political Affairs
Veronica Biggins (guest)	Assistant to the President Director, White House Personnel
Carol Browner (guest)	Adminstrator, EPA
Erskine Bowles (guest)	Adminstrator, SBA
Alexis Herman (guest)	Assistant to the President Director, Office of Public Liaison
Maggie Williams	Chief of Staff, First Lady
Harold Ickes (guest)	Deputy Chief of Staff The White House
Roger Johnson (guest)	Adminstrator, GSA
Phil Lader (guest)	Deputy Chief of Staff The White House
Reta Lewis (guest)	Special Assistant to the President

Confidential Information



	Office of Political Affairs
Bruce Lindsey (guest 3)	Senior Advisor to the President The White House
Jack Quinn (guest)	Chief of Staff Vice President's Office
Rodney Slater (guest)	Adminstrator, Federal Highway Adminstration
Hon. Bill Bradley	Senator (New Jersey)
Hon. Carol Mosely Braun	Senator (Illinois)
Hon. Kweisi Mfume (guest)	Chair, Congressional Black Caucus Congressman (MD-7th)
Hon. Cardiss Collins	Chair, Congressional Black Caucus Foundation Congresswoman (IL-7th) New DNC NFC Member
Hon. Eva Clayton (guest)	Chair, Freshman Class Congresswoman (NC-1st)
Hon. Ron Dellums (Roscoe)	Chairman, Arm Services Committee Guest of John Johnson & Linda Johnson Rice
Hon. Carrie Meeks (guest)	Congresswoman (FL-17th
Hon. Bill Jefferson	Congressman (LA-2nd)
Hon. Charles Rangel (guest)	Congressman (NY-15th)
Hon. Robert Underwood	Guam (Delegate)
Hon. David Dinkins	Professor, Columbia University
Dorothy Height (Guest)	FOH/President, National Council of Negro Women
Rev. Joseph Lowery	Guest of Eugene Jackson/DNC Trustee Event Co-Chair

Martha Love	Vice- Chair DNC
Patti LaBelle (Armstead)	Special Guest Performer

DNC STAFF

David Wilhelm (Degee)	Chairman, Democratic National Committee
Debra DeLee (Guest)	Vice-Chair & Executive Director, DNC
Terry McAuliffe	Chairman, DNC Finance
Laura Hartigan	Finance Director
Bobby Watson (Robin)	Deputy Executive Director, DNC
Carol Willis	Senior Advisor to the Chairman
Martha Phipps	Deputy Executive Director, DNC
Alice Travis	Director, Intergovermental & Party Affairs
Minyon Moore	Assistant to Chairman for Voter Participation, Training, & Public Liaison
David Mercer	Regional Finance Director
Steve Goodin	Director, Finance Operations
Elaine Howard	Events Director

PRESIDENTIAL BIRTHDAY CELEBRATION
AUGUST 2, 1994

CHAIRMAN DAVID WILHELM'S TABLE

Chairman David Wilhelm	
Degee Wilhelm	
Hon. Sherman Copelin (Donna Copelin)	Speaker Pro Tem, Louisiana House New DNC/BLF Member
Charlie Trie (Charlie Chang)	President, Daihatsu FOB/Managing Trustee
Hon. Kweisi Mfume (1 guest)	Chair, Congressional Black Caucus Congressman (MD-7th)
Dorothy Height (1 guest)	FOH/President, National Council of Negro Women
Robert Johnson (Butch Lewis)	President, Black Entertainment Television Strong Clinton Supporter/DNC Trustee



DNC 0896231

MEMORANDUM

To: Allen Weinstein
Nancy Jacobson

Fr: David Mercer

Dt: March 20, 1995

Re: Trie Sponsorship

Attached is a check for $10,000 from Charlie Trie that he asked me to forward to you. Thank you for taking the time to meet again and we look forward to working with you in the future. I trust you will keep Charlie abreast of the Center's events and functions. Until next time, take good care.



MEETING W/CHARLIE TRIE, PRESIDENT OF DAIHATSUN INTERNATIONAL TRADING AND WINSTON WANG, EXECUTIVE VICE PRESIDENT OF FORMOSA PLASTIC CORPORATION

PURPOSE

- **Service call**
- **To introduce DLF to Winston Wang.**
- **Thank Winston and Charlie Trie for your continue support of the Party.**

BACKGROUND . **Charlie Trie** is an FOB and a DNC Managing Trustee. Trie recruited Winston Wang for the 6/21 *POTUS* coffee.

Formosa Plastics is a multinational corporation founded by the Taiwan Wang family. The Wang family has a conglomeration of various multi-million dollar businesses. Interests range from high tech computers to power supply corporations.

Formosa operates a polyester facility in South Carolina. Other plants are in Delaware City DE, Baton Rouge LA, and Point Comfort TX, and a HQ in Livingston *NJ*.

Winston will likely assume the board chairmanship from his father, **Y.C. Wang.**

CONTACT **David Mercer**
x-7105



F 0017611

MEETING W/CHARLIE TRIE, PRESIDENT OF DAIHATSUN INTERNATIONAL TRADING AND WINSTON WANG, EXECUTIVE VICE PRESIDENT OF FORMOSA PLASTIC CORPORATION

PURPOSE

- **Service call**
- **To introduce DLF to Winston Wang.**
- **Thank Winston and Charlie Trie for your continue support of the Party.**

BACKGROUND

Charlie Trie is an FOB and a DNC Managing Trustee. Trie recruited Winston **Wang** for the 6/21 POTUS coffee.

Formosa Plastics is a multinational corporation founded by the Taiwan Wang family. The Wang family has a conglomeration of various multi-million dollar businesses. Interests range from high tech computers to power supply corporations.

Formosa operates a polyester facility in South Carolina. Other plants are in Delaware City DE, Baton Rouge LA, and Point Comfort TX, and a HQ in Livingston NJ.

Winston will likely assume the board chairmanship from his father, **Y.C. Wang.**

CONTACT

David Mercer
x-7105

BRIEFING FOR CHAIRMAN FOWLER

EVENT: Meeting with Charlie Trie and Winston Wang

Charlie Trie
President
Daihatsu International Trading
2224 Cottondale Lane, Suite 102
Little Rock, AR 72202
[redacted]

Winston Wang
Executive Vice President
Formosa Plastics Corporation
9 Peachtree Hill Road
Livingston, NJ 07039
[redacted]

DATE: Wednesday, June 21, 1995

LOCATION: Democratic National Committee
Chairman's Office
Contact:David Mercer x-7105

TIME: 3:00 p.m. - 3:15 p.m.

BACKGROUND: Charlie is an FOB and DNC Managing Trustee. He recruited Winston Wang. Winston is participating in the 6/20 WH coffee event. Winston's company Formosa Plastics is a multi-national corporation founded by the Taiwan Wang family. Winston is likely to assume the board chairmanship from his father Y.C. Wang. They have plants in Delaware City, DE, Baton Rouge, LA and Point Comfort, TX in addition to corporate headquarters in Livingston, NJ.

PURPOSE: The purpose of the meeting is to introduce the DNC Chairman to Winston Wang and to thank him and Charlie for their continued support of the Party.

MEMORANDUM

To: Art Swiller

Fr: David Mercer

Dt: June 19, 1995

Re: Personal Information on Donors

George Marcus
DOB [redacted]
SS# [redacted]

Mark Dayton
DOB [redacted]
SS# [redacted]

Charlie Trie
DOB [redacted]
SS# [redacted]

Winston Wang
DOB [redacted]
SS# [redacted]

EXHIBIT
OH-14

Confidential Information

DNC 1587663

VIA FAX
501-664-0988

MEMORANDUM FOR CHARLIE TRIE

Fr: David Mercer

Dt: October 16, 1995

Re: Democrats Abroad

This is to serve as a follow up to our conversations regarding Democrats Abroad in Taiwan. A Taiwanese chapter of Democrats Abroad already exists. The chair of the Taiwanese chapter is Tammy Turner. She can be reached at the following:

Phone: 886 2 368 9023 (w)
[redacted]
Fax: 886 2 367 0342

You should contact her and let her know of your interest to open an office on behalf of the Taiwanese Democrats Abroad. If you have additional questions, please contact me at 202-863-7105. Thanks for your attention. Let me know how I might proceed in assisting you in your efforts.

EXHIBIT
DM-15

DNC 1612853

MEMORANDUM

TO: David Mercer

FR: Maura McManimon

RE: Proof photos

DT: November 15, 1995

FYI, the following is a list of the proof photos that were pulled by Ernie and Phyllis Green:

Number	Description
009	Jiongzhang Tang
017	Asian Delegation
019	Ron Brown with Charlie Trie and Chun Hua Yeh
025	Chun Hua Yeh
026	Jiongzhang Tang
027	Nunho Pun
044	Charlie Trie with Ernie Green, Don Fowler, Lap Seng NG
045	Chung Hua Yeh with Charlie Trie, Don Fowler, Yan Seng Pan
046	Clinton with Ernie and Phyllis Green
047	Clinton with Ernie Green and Don Fowler
052	Phyllis Green with Asian Delegation
055	Clinton with Fowler and Ernie and Phyllis Green
069	Yan Sheng Pan with Clinton
070	Chun Hua Yeh with Clinton and Yan Sheng Pan
071	Yan Sheng Pan with Clinton, Nunho Pun and Lap Seng Ng
094	Chun Hua Yeh with Clinton
097	Terry Boyd with Clinton
098	Jesse Chang with Clinton
099	Tony Hsu with Clinton
100	Jing Fan with Clinton
101	Jiongzhang Tang with Clinton
102	Jie Liv with Clinton
103	Robert Xiong with Clinton
104	Celia Chau with Clinton
163	Kellee Baker (photographer's niece)
164	Mya Harrison (photographer's assistant)
168	Jiongzhang Tang with Clinton and Asian Delegation



169	Asian Delegation with Ernie Green and Clinton
170	Asian Delegation with President Clinton
171	Asian Delegation with Clinton and Secretary Brown
176	Kellee Baker (photographer's niece)
191	Audience photo
196	President Clinton approaching podium
206	Lap Seng Ng and Chun Hua Yeh
221	President Clinton with Ernie Green
223	President Clinton with Ernie Green presenting gift
224	President Clinton with Ernie Green presenting gift
225	President Clinton holding gift
226	President Clinton thanking Phyllis Green

F 0046083

- Box Situation
- Photos
  Mercer / Trie
  2/6/96
- "I have done alot"

Resentment / recognition
anger / "reputation"
"not easy" reluctant
play the game / Hill Tour



F 0011927

11/21/96 DNC Finance 16:58:27
Executive Summary

Chy Corporation
Mr. Tony Sau
1232 E. Factory Place
Los Angeles, CA 90013-2231

W: F: W: (3,=) F:
H: [redacted] H: [redacted]
T: C:
O:
E:
C: S:
E: DOB: 0/00/00 SSN:

WRITTEN 1996 Total: 12,500 1995 Total: 20,000 INDIVIDUAL

Date	Amount	Comment	Solicitor	Fundraiser	
2/29/96	13,500	ASIAN DINNER 2/19/96 (SUA		John Huang	N01
11/18/95	10,000	AFRICAN AMERICAN LUNCHEON	Mr. Charlie Trie	David Mercer	N01
11/14/95	10,000	AFRICAN AMERICAN LUNCHEON	Mr. Charlie Trie	David Mercer	N01

WRITTEN 1996 Total: 0 1995 Total: 0 COMPANY

Date	Amount	Comment	Solicitor	Fundraiser

RAISED

Name	Amount	Event	Date

PARTICIPATION

Date	Activity

EXHIBIT
DM-18

DNC 1479318

DRAFT

MEMORANDUM

To: Minyon Moore

cc: Laura Hartigan
Marci Sandoval

Fr: David Mercer

Dt: November 30, 1993

Re: Prospective Participants for LA economic conference

The following list of people should be considered in addition to those you suggested for participation in the proposed economic development conference tentatively scheduled for December 4, 1993.

Several of the prospective participants have articulated their views and concerns with Chairman Wilhelm during his visits to California. They deal directly with providing economic development opportunities for their communities or own their own successful businesses and understand the daily struggle to overcome the many obstacles facing the California market. Together they are eager and able to contribute to a constructive and articulate dialogue of how the administration can best spur economic development.

As part of the planning for the conference and in an effort to communicate the administration's initiatives and its commitment to economic development, we should prepare the following:

1. Information on initiatives being implemented by the federal agencies (Agriculture, Commerce, Labor, Justice, etc., that are targeted to the inner cities or addressing the issues of concern to African Americans.

2. Draft briefings outlining how the administration's major policies may improve the economic opportunities for African Americans or otherwise address the problems afflicting the inner cities. This should be done for each of the administration's major initiatives. We need to be able to quote, demonstrate and promote, for example, that x amount or percentage of African Americans will benefit from the Earned Income Tax Credit, or that x amount of jobs will be created in major cities like Los Angeles, Chicago or New York with passage of NAFTA.



F 0045577

Minyon Moore
LA Economic Conference
P. 2

COMMUNITY/OPINION LEADERS
Danny J. Bakewell, Sr.
Chairman
Compton Commercial Development
200 East Slauson Avenue
Los Angeles, CA 90011
Ph: [redacted]
Mr. Bakewell is also the director of the Brotherhood Crusade, an organization that helps establish businesses in African American communities nationwide and in particular South Central Los Angeles. He's also a very close associate of Clarence Avant.

Ken Bentley, Jr.
Director, Community Affairs
Nestle, USA
800 North Brand Boulevard
Glendale, CA 91203
Ph: [redacted]
Ph: [redacted]
As director of community affairs, Ken understands and works on addressing the economic development needs of the African American community.

Bishop Charles E. Blake
Pastor of West Angeles
Church of God and Christ
3045 Crenshaw Boulevard
Los Angeles, CA 90016
Ph: [redacted] Sunshine
Bishop Blake has the largest congregation in South Central Los Angeles and deals with economic development issues.

Don Cornelius
President
Don Cornelius Productions
9255 West Sunset Boulevard, Suite 420
Los Angeles, CA 90069-3309
Ph: [redacted] (w)
Ph: [redacted] (h)
Cornelius, a close friend of Clarence Avant's, is passionate in his concern for African American youth and addressing the lack of job opportunities for them. He recently met with Chairman Wilhelm during a dinner at Clarence Avant's house.

Minyon Moore
LA Economic Conference
P. 3

AFRICAN AMERICAN BUSINESSWOMEN
Suzanne dePasse
Chair & CEO
dePasse Entertainment
5750 Wilshire Boulevard, Suite 610
Los Angeles, CA 90036
Ph: [redacted]
Fx: [redacted]
Owns a production company; formerly of Motown Records.

Cynthia McClain-Hill
Municipal Securities Division
The First Boston Corporation
333 South Grand Avenue
Los Angeles, CA 90071
Ph: [redacted]
Fx: [redacted]
Ms. McClain Hill is a leading investment banker for First Boston.

Fran Jones
6333 Sunset Boulevard, Suite 809
Hollywood, CA 90028
Ph: [redacted]
Fx: [redacted]
Ms. Jones is President of the black franchise owners of McDonald's and owns several McDonald's stores in California.

Delores Robinson
Robinson Entertainment
335 North Maple Drive, Suite 250
Beverly Hills, CA 90210
Ph: [redacted]
Fx: [redacted]
Owns production company

AFRICAN AMERICAN BANKERS
Paul Hudson
President & CEO
Broadway Federal Savings
4835 Venice Boulevard
Los Angeles, CA 90019
Ph: [redacted] ext. [redacted]

Carlton Jenkins
Managing Director
Founders National Bank
3910 West Martin Luther King Road
Los Angeles, CA 90008
Ph: [redacted]
Fx: [redacted]

Minyon Moore
LA Economic Conference
P. 4

AFRICAN AMERICAN BUSINESSMEN
Chuck James
President
North American Produce
600 South 6th Avenue
City of Industry, CA 91746
Ph: [redacted]
Ph: [redacted]
Mr. James provides produce for McDonald's among other customers and also exports to the Far East. He is 35 years old and the third generation to run the family business. He is also a BLF member of the DNC finance committee.

Carl Jones
President
Cross Colours
1935 Tubeay
Commerce, CA 90040
Contact:Rhonda Fortner
Ph: [redacted]
Cross Colours is the manufacturer of new wave clothing--baggy jeans etc. that has captured the youth market.

Elvin Moon
President
E.W. Moon, Inc.
11311 Venice Boulevard
Los Angeles, CA 90066
Ph: [redacted]

Steve Rojas
Fullerton Dodge, Inc.
1110 West Orange Thorpe
Fullerton, CA 92633
Ph: [redacted]
Fx: [redacted]
Mr. Rojas is a member of the Minority Auto Dealers Association running several car dealerships in California.

Bill E. Shack Jr.
President
Shack-Woods and Associates, Inc.
2019 Long Beach Boulevard
Long Beach, CA 90806
Ph: [redacted]
Ph: [redacted]
Mr. Shack is a member of the Minority Auto Dealers Association running several car dealerships in California.

Kinyon Moore
LA Economic Conference
P. 5

Alonzo V. Wallette
AVW Electronic Systems, Inc.
11307 South Hindry Avenue
Los Angeles, CA 90045
Ph: [redacted]
Fx: [redacted]
Mr. Wallette is the president of an electronics firm that provides goods and services to the air traffic control and other industries.

Gilbert T. Ray
Partner, O'Melveny & Myers
400 South Hope Street
Los Angeles, CA 90071-2899
Ph: [redacted]
Fx: [redacted]
Mr. Ray is an African American partner at O'Melveny; associate of Secretary Christopher; served on the Christopher Commission addressing the riots resulting with the King verdict. He is known as a bridge builder between communities and has close ties to Mayor Riordan.

ASIAN BUSINESSMEN/LEADERS
Richard Bertsch
President
Metrosound U.S.A., Inc.
14496 South Garfield Avenue
Paramount, CA 90723
Ph: [redacted]
Fx: [redacted]

John Huang
Vice Chairman
Lippo Bank
711 West College Street
Los Angeles, CA 90012
Ph: [redacted] ext. [redacted]
Fx: [redacted]

Richard Park
President
U.S. Woopon Co., Inc.
851 South Western Avenue
Los Angeles, CA 90005
Ph: [redacted]
Fx: [redacted]

To: Ms. Linda Sperber
Director, Corporate Sales Program
The Beverly Hilton Hotel
(fax#310-285-1313)

From: John Huang

This is to authorize you to debit my American Express Credit Card [redacted], expiration date [redacted] for the amount of sixty five hundred dollars -- ($6,500.00) toward the expenses incurred by the DNC (Democratic National Committee) staff member David Mercer at your hotel over the past two months.

Should you have any question, please don't hesitate to call me today at 213-625-1888 X668.

Thanks and regards

John Huang

December 16, 1993

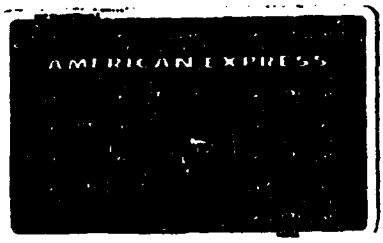


EXHIBIT
DH-20

Confidential Information

DNC 3161227

To; David Mercer
Fr: Adam Crain
Dt: April 20, 1995
Re: Follow-up for May 10 breakfast with VP in Los Angeles

David, you mentioned that you wanted to contact he following about the May 10 breakfast.

John Huang at US Commerce
Roger Johnson at GSA
Nancy Zamora
Marianne Mitchell
Linda Gayagos (you wanted to ask Minyon about her)
Clarence Avant of Tabu Records
James Riady- former Trustee
Richard Choi-Bertch



F 0026709

12/03/96 DNC Finance 9:07:46
Executive Summary

Mrs. Jane Huang
2100 Rimcrest Dr
Glendale, CA 91207-1057

W: [redacted] F:
H:
T:
O:
E:
C:
B:

W: F:
H: [redacted]
C:
S:
DOB: 0/00/00 SSN:

WRITTEN 1996 Total: 0 1995 Total: 0 INDIVIDUAL

Date	Amount	Comment	Solicitor	Fundraiser	
12/22/94	5,000	SLF WASHINGTON AG DECEMBE		Richard Sullivan	FO1
8/11/94	5,000	BC VOTER OUTREACH DINNER		David Mercer	FO1
4/29/94	5,000	1994 TRUSTEE MONTHLY DUES		David Mercer	NO3
3/16/94	10,000	1994 TRUSTEE MONTHLY DUES		Ari Swiller	NO3
12/14/93	15,000	LOS ANGELES EVENT PRES. C			FO1
8/19/92	5,000	San Gabriel, CA Asian Eve			FO1

WRITTEN 1996 Total: 0 1995 Total: 0 COMPANY

Date	Amount	Comment	Solicitor	Fundraiser

RAISED

Name	Amount	Event	Date
Soraya Wiriadinata	15,000	ASIAN PACIFIC AMERICAN CO	11/09/95
Mr. Kenneth R. Wynn	12,000	ASIAN PACIFIC AMERICAN CO	11/07/95
Mi Ryu Ahn — Group I	10,000	1995 WASHINGTON DC GALA	6/15/95

PARTICIPATION

Date	Activity

EXHIBIT
DH-22

DNC 3078819

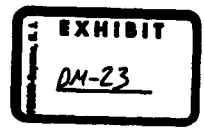
MEMORANDUM

TO: DAVID MERCER
ERICA PAYNE

CC: TERRY MCAULIFFE
MINYON MOORE
LAURA HARTIGAN
STEPHEN GOODIN

FR: GRACE HO/VIDA BENAVIDES
DT: MONDAY, AUGUST 1, 1994
RE: DONOR REQUEST FOR 8/2

Johnny Chung is a strong potential donor for the DNC who has started his relationship with us with a $100,000 commitment to the President's Birthday Celebration Dinner tomorrow night. He has one request: he would like to arrange for his parents to personally wish POTUS a happy birthday. His parents who are in their 80's can only attend the reception. Is there any way that we can accommodate this request?



F 0096122

MEMORANDUM

To: Richard Sullivan

Fr: David Mercer

Dt: September 14, 1994

Re: VP Luncheon List

This is the list you requested for the VP luncheon on the 9/21. It's a pool of some of the best raisers/writers to draw from. Let's get together to size it down. Thanks for your attention.

Mr. Ernest Green
Managing Director
Lehman Brothers
1627 I Street, NW, Suite 1100
Washington, DC 20006
Ph: [redacted]
Fx: [redacted]

Melvin E. Clark, Jr., Esq.
President
Metroplex Corporation
512 G Street, SW
Washington, DC 20024
Ph: [redacted]
Fx: [redacted]

Mr. Richard L. Mays, Esq.
Mays & Crutcher Law Offices
415 Main Street
Little Rock, AR 72201
Ph: [redacted]
Fx: [redacted]
Ph: [redacted]
Fx: [redacted]

EXHIBIT
DM-24

Confidential Information

Yah Lin "Charlie" Trie
President
Daihatsu International Trading, Inc.
Lafayette Building, Suite L150
523 South Louisiana
Little Rock, AR 72201
Ph:[redacted]
Fx:[redacted]

Don Barden
President
Barden Communications, Inc.
243 West Congress Street, Suite 1000
Detroit, MI 48226
Ph:[redacted]
Fx:[redacted]

Ms. Janice Griffin
The Prudential
1140 Connecticut Avenue, NW, Suite 510
Washington, DC 20036
Ph:[redacted]
Fx:[redacted]

Mr. Eugene G. Jackson
Chairman & CEO
World African Network
5120 West Goldleaf Circle, Suite 380
Los Angeles, CA 90056
Ph:[redacted]
Fx:[redacted]

Mr. Robert L. Johnson
President & CEO
Black Entertainment Television
1232 31st Street, NW
Washington, DC 20007-3496
Ph:[redacted]
Fx:[redacted]

Mr. Raymond McClendon
Pryor, McClendon, Counts & Co. Inc.
One Midtown Plaza
1350 Peachtree Street, NE, Suite 850
Atlanta, GA 30309
Ph:[redacted]
Fx:[redacted]

Confidential Information

DNC 1587949

Dr. Gene Newton
Coordinated Healthcare Systems
6711 Old York Road, Suite 200
Philadelphia, PA 19126
Ph: [redacted]
Fx: [redacted]

Iralene Barnes
Vice President
Potomac Electric Power Company
1900 Pennsylvania Avenue, NW
Washington, DC 20068
Ph: [redacted]
Fx: [redacted]

Mr. Frank Brooks
Brooks Sausage Company, Inc.
7600 95th Street
Kenosha, WI 53142
Ph: [redacted]
Fx: [redacted]
Ph: [redacted]

Mrs. Robin Brooks
Managing Director
Willamette Management
8750 West Byrn Mawr Avenue
Chicago, IL 60631
Ph: [redacted]
Fx: [redacted]

Johnny Chung
Chairman
Automated Intelligent Systems, Inc.
2771 Plaza Del Amo, Suite 809
Torrance, CA 90503
Ph: [redacted]
Fx: [redacted]

Ms. Carol Thompson Cole
Vice President
RJR Nabisco Inc.
1455 Pennsylvania Avenue, NW
Washington, DC 20004
Ph: [redacted]
Fx: [redacted]

Randy Echols
President
Echols & Company
901 East Capitol Street, SE
Washington, DC 20003
Ph: [redacted]
Fx: [redacted]

Anthony Jones
President
Tonya, Inc.
1000 Vermont Avenue, NW, 5th Floor
Washington, DC 20005
Ph: [redacted]
Fx: [redacted]

Mr. Rollie Kimbrough
President & CEO
MCSI Technologies
3401 Collesville Road, Suite 305
Silver Spring, MD 20910
Ph: [redacted]
Fx: [redacted]

Weldon Latham
Partner, Shaw, Pittman, Potts, & Trowbridge
2300 N Street, NW
Washington, DC 20037
Ph: [redacted]
Fx: [redacted]

Mr. William Lucy
AFSCME
1625 L Street, NW
Washington, DC 20036
Ph: [redacted]
Fx: [redacted]

Bill Lynch
Vice-President
McAndrews & Forbes
38 East 63rd Street
New York, NY 10021
Ph: [redacted]
Fx: [redacted]

Ms. Marianne Camille Spraggins, Esq.
444 Central Park West, Apt. 104
New York, NY 10025
Ph: [redacted]
Fx: [redacted]

Confidential Information

Larry Gibson
The Kurt Schmoke Committee
36 South Charles Street, Suite 2210
Baltimore, MD 21201
Ph: [redacted]

Confidential Information



MEMORANDUM FOR JENNIFER KAAS

Fr David Mercer

Dt April 18, 1996

Re Suggested names for special election prospecting

Attached is the list of suggestions you requested on behalf of the Chairman. These are good friends of the Party and who could either be responsive or know others who might help. Let me know if you have any questions. Thanks!



DNC 1781646

Suggested List for Special Election

Mr. Rashid Chaudary
Rajani Corporation
5401 West 65th Street
Bedford Park, IL 60638-5628
Office: [redacted] Home: [redacted] Fax: [redacted]

Mr Stanley Chesley
President
Waite, Schneider, Bayless & Chesley
1513 Central Trust Tower
Fourth and Vine Street
Cincinnati, OH 45202
Office: [redacted] Home: [redacted] Fax: [redacted]

Mr. Johnny Chung
Chairman and CEO
Automated Intelligent System
2771 Plaza Del Amo
Suite 809
Torrance, CA 90503
Office [redacted] Home: Fax: [redacted]

Tim Collins
Managing Director
ONEX Investments
712 Fifth Avenue
New York, NY 10019
Phone: [redacted]
Fax: [redacted]

Al DeCoos
Esq.
Decoos, Philips, Lundsten & Brouster
103 Eisenhower Parkway
Roseland, NJ 07068
Phone: [redacted]
Fax: [redacted]

Daniel Dudko
President
Dudko and Associates
412 First Street, SE
Suite 100
Washington, DC 20003
Phone: [redacted]
Fax: [redacted]

Confidential Information

DNC 1781647

James Edwards
Chairman & CEO
ICF Kaiser International, Inc.
9300 Lee Highway
Fairfax, VA 22031
Phone: [redacted]
Fax: [redacted]

Cynthia Friedman
5610 Wisconsin Avenue
Apartment 103
Chevy Chase, MD 20815-4416
Phone: [redacted]
Fax: [redacted]

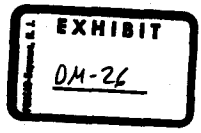
Stanley Hirsh
President
Mercantile Center
3300 Oakdell Rd.
Studio City, CA 91604
Phone: [redacted]
Fax: [redacted]

Sacha Millstone
Vice President
Raymond James Financial
1401 I Street, NW
Washington, DC 20005
Phone: [redacted]
Fax: [redacted]

Richard Park
President
U.S. Woupoo Co., Inc.
851 Southwestern Avenue
Los Angeles, CA 90005-3302
Phone: [redacted]
Fax: [redacted]

Carol Pensky
544 Herndon Parkway
Herndon, VA 22070
Phone: [redacted]
Fax: [redacted]

Roger Tamraz



DNC 3116350

MEMORANDUM

TO: **Don Fowler, DNC Chairman**
FROM: **Alejandra Y. Castillo**
DATE: **July 12, 1995**
Re: **Meeting with Roger Tamraz**

Pursuant to your meeting with Mr. Roger Tamraz, Capitol Oil Inc., held on Tuesday, July 11; I would like to forward to you some recently received background information on his business operations. As a potential Managing Trustee member, Mr. Tamraz's business dealing may potentially, if not definite, political and ethical implications on the DNC fundraising operations. I have had several conversations with Carol Khare and Ari Swiller regarding Mr. Tamraz's background. Please review the following memo, DNC Finance Department is pending your guidance on whether to continue our conversation with Mr. Tamraz and/or extend an invitation to participate in DNC events.

Roger Tamraz

Biographical Information:

- Egyptian born and U.S. resident.
- Religion: Maronite Catholic
- Educated at the American University in Cairo, Cambridge University,England and at Harvard Business School, Massachusetts.

Business Background:

- In the 1960's, Mr. Tamraz worked for the New York based investment firm of Kidder, Peabody in New York and Beirut.
- In 1974, he set up his own investment firm, First Arabian Corp., to invest the money of Middle East clients.
- Served as Bank Al-Mashrek Chairman--Lebanon's second Largest bank.
- In December of 1988, Mr. Tamraz was accused by the Lebanese authorities of siphoning an estimated $154 million out of the second-largest bank in Lebanon, Bank Al-Mashrek.
- During this time, Mr. Tamraz headed Jet Holding, owners of TransMediterreanean Airways (TMA-cargo specialist) and Middle East Airlines (MEA).
- Owner of TAMOIL, since the late 1980's, Mr. Tamraz has slowly sold or merged his holdings of TAMOIL. Among the big Tamoil buyers is Oilinvest, an overseas investment arm of Libya's National Oil Company. Oilinvest's acquired the Milan-based Tamoil group of companies with operations in Italy and Spain.--**Further explained in Event section.**

Events: 1980's

- On March 6, 1989, the international press reported that Roger Tamraz had been kidnapped on Feb 19. However, a Beirut newspaper reported that Tamraz fled after a run on his bank and amid accusations he embezzled $200 million. Tamraz fled from the Christian east Beirut

to the Moslem-held western part seeking the protection of Moslem militia when judicial authorities issued a warrant for his arrest.

• While seeking safe haven in west Beirut it was reported that Hobeika, a former commander of the Lebanese Force--the main Christian militia, forced Tamraz to pay a $3 million he claimed was owed him after the collapse of the Bank Al-Meshrek. Hobeika is held responsible for the September 1982 massacre of hundred of Palestinian civilians by Christian militiamen in two Beirut refugee camps after Israel invaded Lebanon.

• Tamraz was freed after paying the final installment of a $3 million ransom. However, Tamraz denied all news stories of ever having been kidnapped.

• Investors say the bank, under Tamraz direction, made shaky investments in Spanish real-estate, casinos in Portugal and a money losing cargo airline. Sources claim that Al-Mashreq bank ran into difficulties because Tamraz, who owned at the time 20 enterprises, had Al-Mashreq invest cash reserves to fund private businesses.

• Lebanon's Central Bank has had to fund the Al-Mashreq to prevent it from total collapse and bail out local depositors, a step which could have shaken the country's banking system. It was estimated that Al-Mashreq bank had a deficit of $100 million.

Events: 1990's

• Since the 1980's Tamraz has worked to revitalize his oil business in lieu of financial and political mishaps in Lebanon. TAMOIL, a leading oil company (refineries, gasoline stations) with holdings in Italy (5.3% of Italian Market) and Spain (---) have been slowly partitioned and sold during the last seven years to OILINVEST.

• Despite the Washington's freeze of Libyan assets and boycott of Libya-related companies, Tamraz aided OILINVEST, an overseas investment arm of Libya's National Oil Company, to continue a pattern of acquisitions in Italy during the 1980's. OILINVEST acquired 89.5 % equity in TAMOIL and a network of 1,945 service station as well as distribution centers throughout Italy. OILINVEST, through TAMOIL, bought 75% in Volcan Oil Milan.

• By 1992, Beirut bankruptcy court approved several offers to sell TMA, the cargo airline under Tamraz' s direction. The deal involved the payment of $8 million and the bank's taking responsibility for TMA's estimated $35 million debt incurred as part of Al-Mashreq bank financial crisis.

• Presently, Tamraz is Chairman of OIL CAPITAL INC. Oil Capital Inc has announced a new plan to build a large $2 billion pipeline through Armenia. It is expected that over 100 million barrels of oil per day will begin to flow from the two Caspian Projects Azerbaijan and neighbors, Kazakhastan and Turkmenistan, could have well over 100 billion barrels of oil, making them comparable to Iraq or Kuwait and potentially bigger than Alaska's Prodhoe Bay or North Sea.

• This Caspian deal is drawing Washington in. Washington is feeling the mounting pressures

DNC 3116352

from oil companies such as Amoco, Mobile, Exxon, McDermott, Brown & Root, Bechtel, and Chevron. The Clinton Administration is being pushed to alter its pro-Russia policy and start backing the republics in an attempt to push the deal forward.

Conclusions:

Based upon the above stated events, it is clear that Mr. Tamraz has several problems pending before the international business community. Among the more recent events concerning Mr Tamraz is his bar from participating in a Commerce Department Trade board (unofficial-Carol Khare received warning from a DOC friend).

In a conversation held with Ari Swiller yesterday, Mr. Tamraz expressed his desire to contribute $300,000 to the DNC. Indeed, his contribution is greatly appreciated and highly needed, however, his past involvement in shaky international business and para-military organizations may generate considerable problems for the DNC. Mr. Tamraz seeks political leverage to secure his oil ventures in the Russian Republics (Caspian Oil Project).

Our association with Mr. Tamraz should be well defined, a difficult task given his complex business connections and political associations. His business background has proved to be full of significant financial and ethical troubles. Pay attention to these warning signals!

I hope this memo has provided you with the information needed.

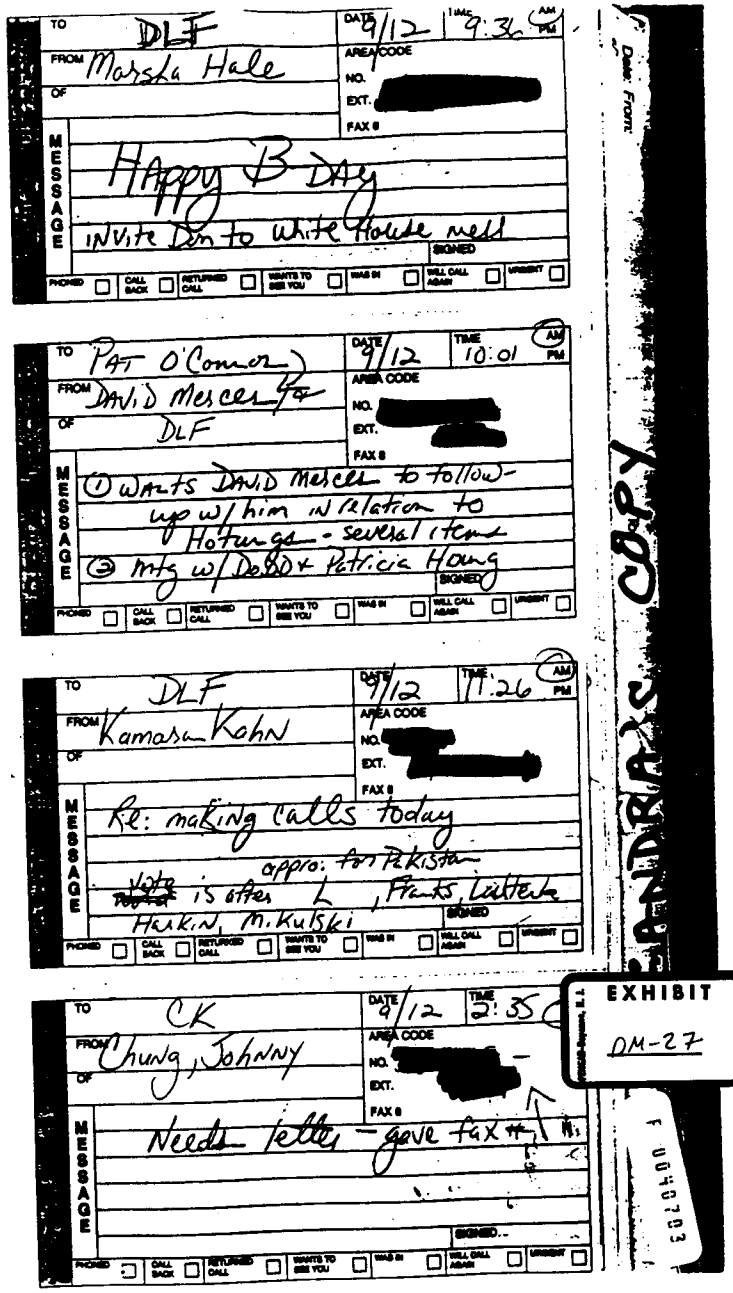
CC:

Carol Khare
Ari Swiller

MEMORANDUM FOR ROGER TAMRAZ

FR: Richard Sullivan
Ari Swiller
RE: Contributions
DT: March 28, 1996

7-19-95 - $20,000, Richard Molpus for Governor
$25,000, Virginia Democratic Party
$25,000, Louisiana Democratic Party
$20,000, Written, DNC Federal Account
7-29-95 - $20,000, Raised, Elias Haddad and Norma Haddad
8-29-95 - $ 5,000, Written, Richard Molpus for Governor
9-01-95 - $20,000, Raised, Gil Sireni
9-01-95 - $20,000, Raised, Marcia Sireni
9-10-95 - $50,000, Written



TO DLF
DATE 9/12 TIME 9:36 AM PM
FROM Marsha Hale
OF
AREA CODE
NO.
EXT. [redacted]
FAX #
MESSAGE
Happy B Day
Invite Don to White House mess
SIGNED
PHONED ☐ CALL BACK ☐ RETURNED CALL ☐ WANTS TO SEE YOU ☐ WAS IN ☐ WILL CALL AGAIN ☐ URGENT ☐

TO PAT O'Connor
DATE 9/12 TIME 10:01 AM PM
FROM DAVID Mercer
OF DLF
AREA CODE
NO. [redacted]
EXT. [redacted]
FAX #
MESSAGE
① Wants DAVID Mercer to follow-up w/him in relation to Hotungs - several items
② Mtg w/ DeDD + Patricia Hoang
SIGNED
PHONED ☐ CALL BACK ☐ RETURNED CALL ☐ WANTS TO SEE YOU ☐ WAS IN ☐ WILL CALL AGAIN ☐ URGENT ☐

TO DLF
DATE 9/12 TIME 11:26 AM PM
FROM Kamara Kahn
OF
AREA CODE
NO. [redacted]
EXT. [redacted]
FAX #
MESSAGE
Re: making calls today
appro: for Pakistan
~~Vote~~ Vote is after L, Frank, Lautenberg
Harkin, M. Kulski
SIGNED
PHONED ☐ CALL BACK ☐ RETURNED CALL ☐ WANTS TO SEE YOU ☐ WAS IN ☐ WILL CALL AGAIN ☐ URGENT ☐

TO CK
DATE 9/12 TIME 2:35
FROM Chung, Johnny
OF
AREA CODE
NO. [redacted]
EXT.
FAX #
MESSAGE
Needs letter - gave fax #
SIGNED
PHONED ☐ CALL BACK ☐ RETURNED CALL ☐ WANTS TO SEE YOU ☐ WAS IN ☐ WILL CALL AGAIN ☐ URGENT ☐

Date: From:

SANDRA'S COPY

EXHIBIT
DM-27

F 0040703

MEMORANDUM

TO: Chairman Fowler
FROM: David Mercer
DATE: September 14, 1995
RE: Meeting with Mr. & Mrs. Eric Hotung

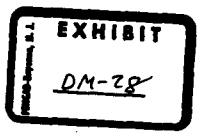
Friday, September 15 - 1:45 p.m.
Democratic National Committee

The Hotungs are new trustees; they will be contributing $100,000 to the DNC. They will also be attending the White House dinner with President and Mrs. Clinton on Friday, September, 15th with Pat O'Connor.

Mr. Hotung is a British citizen who lives in Hong Kong. He is the Founder and Chairman of the Hong Kong Development Ltd. and the Cosmopolitan Properties and Securities Ltd. Mr. Hotung is the head of the Hotung Institute which operates out of Hong Kong, New York City and Washington, D.C. Its main purpose is to promote a better understanding of the relationship between the United States and China.

We will be helping to set up a meeting with the Hotungs at the National Security Council, hopefully with Sandy Berger.

- check coming tomorrow



MEETING W/ PATRICIA AND ERIC HOTUNG

TIME
- **1:45 p.m.**

LOCATION
- **DLF's Office**

PURPOSE
- This is a meet and greet.
- Mr. Hotung is interested in Meeting w/ the National Security Council.
- You will be helping him to arrange this meeting w/ Sandy Berger.

BACKGROUND
- **The Hotung are new trustees. They will be contributing $100,000 to the DNC.**
- They will be attending the White House dinner with the President and Mrs. Clinton this evening at the White House.
- Mr. Hotung is a British citizen who lives in Hong Kong.
- He is the founder and chairman of the Hong Kong Development Ltd. and the Cosmopolitan Properties and Securities Ltd.
- Mr. Hotung is the head of the Hotung Institute which operates out of Hong Kong, New York City and Washington, D.C. . The Institute's goal is to promote a better understanding of the relationship between the U.S. and China.

CONTACT
- **Richard Sullivan**

RICHARD SULLIVAN CALL SHEET

MARCH 27, 1996

NAME	TIME	MESSAGE	PHONE	ACTION
Hubert Riley	9:15	Plz call	[redacted]	
Mark Thomann	10:15	Plz page him		
Jay Dunn	10:20	Plz call	[redacted]	
Karen Hancox	10:20	Plz call re: Harry Camin and Byron Allumbaugh. Also NY	[redacted]	
Barbara Wooley	10:25	Plz call very important POTUS is doing event on Friday and needs to speak w/you re: Pharmaceutical companies	[redacted]	
Jaime Gore	10:25	Plz call	[redacted]	
Kevin Keif	10:35	Plz call	[redacted]	
Mike Marubio	10:45	Do you have any answers yet	[redacted]	
John O'Hanlon	11:00	Plz call	[redacted]	
Ann Rowan	11:20	Ron Reeves w/do 10K w/ US Air in free flights 703-418-5111 Ann says if you say other airlines are doing more, you may get more out of him	[redacted]	
Fran Gray	11:30	Plz call re co-chairs	[redacted]	
Matt Wanning	11:50	Plz call	[redacted]	
Jodi Trapasso	11:55	Plz call	[redacted]	
Mark Thomann	11:55	Plz call	page him	
Brice Luckerhand	11:55	Plz call	[redacted]	
Ned Koonan	12:10	Plz call	[redacted]	
Joe Wyer w/ David Straus		re: Italian State Lunch Schiro took care of it		

EXHIBIT
DM-29

Call Sheet March 27, 1996

		and on list		
Mable downstairs	12:20	Plz call re: Texas event	[redacted]	
Rao Ratnala	12:30	Plz call	[redacted]	
Mike Cohen	12:35	Plz call re: Michigan	[redacted] ext [redacted]	
David Mercer	12:35	Plz call its urgent	[redacted]	
Barbara Wooley	1:15	Plz call	[redacted]	
Farhad Azima	1:35	Plz call	[redacted]	
Kelly Dickens	1:45	Plz call	[redacted]	
Lauren Supina	2:15	Plz call re: Emily's list and convention	[redacted]	
Hubert Riley	2:25	Plz call	[redacted]	
Andy Spahn	3:15	Plz call	[redacted]	
David Mercer	3:15	Plz have Thomann stay off of Hotung Pat O'Connor w/tell us when money is coming in		
Kevin Callahan	3:20	re May 20th	[redacted]	
Griffin Schultz	3:20	re Ann Lewis	[redacted]	
Michael Moore	3:35	Plz call	[redacted]	
Mark Weiner	4:00	Plz call	[redacted]	
John Sitilides	4:30	re DNC release today he is from Angelo Kasapolous' office	[redacted]	
Johnny O'Hanlon	4:50	Plz call needs Hoyer money and needs to talk business	[redacted]	
Mike Cohen	5:30	Plz call	[redacted] ext [redacted]	
Griffin Schultz		Any closer for dates for pittsburgh & event has to be later than June 15	[redacted]	

Call Sheet March 27, 1996

David Carroll	5:50	His direct line	[redacted]	
Karen Hancox	5:50	Plz call re: Emily's list	[redacted]	
Mercer		Call Fred at Breaux's office talk about fundraiser on april 11th in touch w/Kyle Franz who is Breaux guy here working w/Ira Middleberg and hope Breaux w/do 100 to 150K	[redacted]	
Kathleen w/Mr Tempelsman office	6:45	returned call	[redacted]	

11/01/96 DNC Finance 11:39:
Executive Summary

Arief Wiriadinata
8136 Sleepy View Lane
Springfield, VA 22153

W: F: W: F:
H: [redacted] H: [redacted]
T: C:
O:
B:
C: S:
E: DOB: 0/00/00 SS#:

WRITTEN 1996 Total: 210,000 1995 Total: 45,000 INSIDE/

Date	Amount	Comment	Solicitor	Fundraiser	
8/07/96	20,000	POTUS ASIAN DINNER - HUAN		John Huang	FC
6/07/96	20,000	POTUS ASIAN DINNER - HUAN		John Huang	FC
6/07/96	25,000	POTUS ASIAN DINNER - HUAN		John Huang	EC
6/07/96	5,000	POTUS ASIAN DINNER - HUAN		John Huang	EC
6/07/96	5,000	POTUS ASIAN DINNER - HUAN		John Huang	FC
5/17/96	25,000	TRUSTEE YEARLY DUES - 199		John Huang	EC
5/17/96	25,000	SAN FRANCISCO POTUS EVENT		John Huang	EC
5/17/96	25,000	POTUS ASIAN DINNER - HUAN		John Huang	EC
3/12/96	25,000	SAN FRANCISCO POTUS EVENT		John Huang	EC
1/22/96	10,000	TRUSTEE YEARLY DUES - 199		John Huang	EC
1/22/96	25,000	TRUSTEE YEARLY DUES - 199		John Huang	EC
12/12/95	5,000	TRUSTEE YEARLY DUES - 199		John Huang	FC
12/12/95	20,000	TRUSTEE YEARLY DUES - 199		John Huang	EC
12/12/95	25,000	TRUSTEE YEARLY DUES - 199		John Huang	EC
11/09/95	15,000	ASIAN PACIFIC AMERICAN CO		David Mercer	FC

WRITTEN 1996 Total: 0 1995 Total: 0 COMPAN

Date	Amount	Comment	Solicitor	Fundraiser

RAISED
Name Amount Event Date

PARTICIPATION
Date Activity

EXHIBIT
DM-30

DNC 1227446

2R
H. Binns

AGINS, SIEGEL & BERNSTEIN, LLP

Attorneys-at-Law

Irwin Siegel
Richard C. Agins
Glenn A. Reiner
Carl D. Bernstein

342 MADISON A
NEW YORK, NEW YORK 1017
(212) 98
FAX (212) 5

Stephen S. Siminou
Neil S. Miller
Rhonda L. Gaynier

Solomon J. Freec
Kalmon D
Charles M. New
Co

August 14, 1996

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Hon. William Jefferson Clinton
President of the United States
The White House
Washington, D.C. 20005

Re: **Hermes Enterprises, Ltd. v. The Democratic National Committee**

Dear President Clinton

Enclosed are copies of my letter to The Democratic National Committee, dated May 31, 1996 and July 2, 1996, on behalf of Hermes Enterprises, Ltd., 641 Fifth Avenue, New York, New York 10022

Incredibly, neither my client nor I have received any response and we must turn to you for relief

Mr. Fowler had agreed with my client that he would provide two video tapes featuring addresses by you for presentation to the Greek-American community here in New York, one for use last New Year's Eve, and the second for use on the 25th Anniversary of Greek Independence. Neither of those tapes were supplied, although the requested contribution of $50,000 was made to the "D.N.C." by check dated December 23, 1995

Unfortunately, therefore we had no alternative but to request a refund of that amount

The D.N.C.'s failure to respond leaves us no alternative but to advise you that, unless this matter is resolved within ten (10) days of the date of this letter, we must commence an action to secure the refund due to Hermes Enterprises, Ltd.

We sincerely hope this will not be necessary.

Very truly yours,

Richard C. Agins

Hermes Enterprises, Ltd.

EXHIBIT
DM-31

EOP 05587

WEDNESDAY 12 July, 1995





SCHEDULE FOR NATIONAL CHAIR DONALD L. FOWLER
DATE: WEDNESDAY, JULY 12, 1995
DRAFT: FINAL

WASHINGTON, DC

Schedule Contact: Catherine York
202/863-8038 (Office)
703/553-3966 (Home)
130-5662 (SKYGRAM)

Drivers (DC): Nick Caggia
202/863-8121
202/543-6518
135-2012 (SKYGRAM)

8:30am **LIVE INTERVIEW w/ Bill Mazer, "The Bill Mazer Show", *WEVD*, New York, NY**
Home of Chairman Fowler

Contact: Arnie Mazer
212/477-5872, HOTLINE
212/673-1150, HOTLINE

NOTE: -DLF should call Bill Mazur at the above hotline number(s).
-15 minute interview is live, no call-ins.
-Interview is re: GOP Wanted Poster.
-Bill Mazer is supportive of POTUS and wants to be a vehicle for the Democratic message on an on-going basis.

9:20am **DEPART Home**
EN ROUTE Rayburn House Office Building

9:30am **ARRIVE** for MEETING w/ *The Coalition* (Blue Dog Democrats)
Rayburn House Office Building
Room 2444

Contact: Cong. Condit/Mike Deyton [redacted]

INFORMAL PROGRAM: 9:30am -Cong. Gary Condit delivers brief opening remarks and intros. General Chair Dodd.
-Cong. Condit intros. DLF. DLF delivers remarks and opens Q&A/discussion.

NOTE: -See attached briefing and list of attendees.
-Approx. 22 to attend.

10:40a Bob Slagle

10:50am **DEPART** Rayburn House Office Building
EN ROUTE DNC

(Alex)

11:00am **ARRIVE** for PRIVATE MEETING w/ Michael Brown, Political Director, America's Fund
Chairman's Office

Contact: Minyon Moore x7112

TO ATTEND: -Minyon Moore

NOTE: See attachment.

11:50am **DEPART** DNC
EN ROUTE National Democratic Club

WEDNESDAY, JULY 12, 1995
PAGE 3

12:00pm **ARRIVE** for LUNCH w/ Scott Pastrick, Bobby Watson, [redacted] and Richard Sullivan
National Democratic Club
30 Ivy Street, SE
Washington, DC
202/543-2035

Contact: Catherine York x8038

NOTE: Reservations for 4 under FOWLER.

1:30pm **DEPART National Democratic Club**
EN ROUTE DNC

1:35pm **OFFICE BLOCK**
Chairman's Office

Contact: Ceandra Scott x8122

2:00pm **PRIVATE MEETING** w/ Bernice Friedlander, Acting Director of U.S. Office of Consumer Affairs
Chairman's Office

Contact: Bernice Friedlander/Nellie 202/595-7907

reschedule 7/19

NOTE: See attachment.
Meeting to last 30 minutes.

2:30pm **OFFICE BLOCK**
Chairman's Office

Contact: Ceandra Scott x8122

Approx. 5:00p- Buksbaum stop by

WEDNESDAY, JULY 12, 1995
PAGE 4

3:00pm Doug Sosnik → Budget + Fundraising

4:00pm Bob Squire Alexander [illegible]

5:30pm **MEETING w/ ROCKY MOUNTAIN STATES TOUR GROUP**
Chairman's Office

Contact: Catherine York x8038

3:45 ~~Radio Interview NO 7/13~~

TO ATTEND:
- Bobby Watson
- Carol Khare
- Minyon Moore
- [illegible]
- Michael Paradise
- Jill Alper
- Jennifer Kass
- Catherine York
- Alejandra Castillo

Never happened

[redacted]

6:00pm **PRIVATE MEETING w/ Jim Morton and Mike House** Michelin
Chairman's Office

Contact: Trip King
[redacted]

6:20pm **DEPART DNC**
EN ROUTE The Hay Adams Hotel

622/5

DNC 3025397

6:40pm **ARRIVE** for DGA Governors' Series Dinner
The Hay Adams Hotel
John Hay Room
800 16th Street, NW (16th and H Streets, NW)
Washington, DC
202/638-6600
CLOSED PRESS

Contact: Caroline Cunningham x5133

PROGRAM:

6:30pm	-Cocktail reception.
7:00pm	-Mark Weiner, DGA Treasurer, delivers welcoming remarks. -Dinner is served.
7:45pm	-Mark Weiner intros. Cong. Steny Hoyer.
7:50pm	-Cong. Hoyer delivers remarks and intros. DLF.
7:55pm	-DLF delivers remarks and intros. Governor Carper.
8:00pm	-Gov. Carper delivers remarks and opens discussion.
8:30pm	-Dinner ends.

NOTE: See attachment.

8:30pm **DEPART** The Hay Adams Hotel
EN ROUTE Home

RON WASHINGTON, DC

DNC 3025398

MEMORANDUM FOR CHAIRMAN FOWLER

Fr: David Mercer

Dt: October 10, 1995

Re: Ray McClendon Meeting

cc: Richard Sullivan and Catherine York

This is a summary briefing in preparation for your meeting with Ray McClendon, a partner in the minority investment banking firm of Pryor, McClendon & Counts. The partners of the firm are all DBC members and active supporters of Clinton/Gore and the Democratic National Committee.

The purpose of the meeting is to discuss a concern in the African American business community that the administration's commitment to the ensuring opportunities for African American businessmen and women. A case in point is the recent attempt of all the major African American investment banking firms to participate in the Energy Department's privatization project of the U.S. Enrichment Corporation. Many of the firms, including Pryor McClendon & Counts have expressed frustration that not one minority firm was invited to take part in oral presentations. More disconcerting is the sense that there was no one in the process or in the position to address this issue.

While the focus of McClendon's discussion is on this U.S.E.C. case, there are others instances that are generating equal concern. It seems that the *Adarand v Pena* case is leading to revision of policies governing Affirmative Action. For instance, the Department of Defense has revised, according to Mel Clark, it's policies in handling small businesses. These instances appear to be occurring in a political vacuum and without regard to the President's remarks of "mend it not end it" in his recent speech on Affirmative Action.

You want to convey to McClendon your commitment to ensuring their participation and access to opportunities, in addition, to communicating the concern within the administration. You might inform that you'll propose to the administration that they appoint someone within the White House to address and review these issues.

If you need additional information, please call me at ext. 7105. I've also attached Ray McClendon's bio for your review. Thanks for your attention.

EXHIBIT
DM-33

MEMORANDUM

To: Chairman Fowler

cc: Richard Sullivan
Katherine York

Fr: David Mercer

Dt: September 25, 1995

Re: Meeting with Ray McClendon and Malcolm Pryor

This is to request a meeting with Ray McClendon and Malcolm Pryor, partners in the leading minority investment banking firm of Pryor, McClendon and Counts. Ray approached you about this during the VP luncheon on Friday, September 22.

They are both very supportive as DBC members both in contributions and raising money. They have also been involved in the re-election most recently in Philadelphia. They are interested in discussing their efforts to work with the administration. Once a decision has been made on when to schedule a meeting (sometime in the near future), I will provide a briefing and talking points. In the meantime, please find attached a bio on Ray and a company profile. Thanks for your attention.

DNC 3021860

RAYMOND J. McCLENDON
BIOGRAPHY

Raymond J. McClendon is Vice Chairman and Chief Operating Officer of Pryor, McClendon, Counts & Co., Inc. (PMC), the largest minority-owned and controlled investment banking firm in the United States. PMC provides a full range of financial services including: municipal and corporate financing, fixed income and equity trading, financial advising, and funds management/investment counseling. In his capacities as Vice Chairman and Chief Operating Officer, Mr. McClendon has corporate-wide responsibilities.

Mr. McClendon is the immediate Past Chairman of the National Association of Securities Professionals (NASP), having previously served as national Treasurer and first President of the Atlanta Chapter. NASP is the only trade association for minorities and women in the securities industry. Its goal is to promote professional excellence and equal opportunities for minorities and women in the securities professions.

Mr. McClendon was formerly the President and Chief Executive Officer of R.J. McClendon Capital Corporation until the merger of that firm with Pryor, Govan, Counts & Co., Inc., in January of 1990. Previously, Mr. McClendon was Vice President for Multi-Family Activities of the Federal National Mortgage Association (Fannie Mae) where he was responsible for Fannie Mae's $6 billion FHA-insured project loan portfolio, a $2.3 billion conventional multi-family portfolio and the securitization of $2 billion in projects under Fannie Mae's tax-exempt (Muni Mae) program. Additionally, he created and implemented Fannie Mae's Public Finance Department which was responsible for products to meet the needs of state and local government housing challenges. Successful initiatives included the $2 billion Muni Mae program, the $300 million single family tax-exempt program, the $100 million Master Commitment to the National Association of Real Estate Brokers (NAREB) and the $25 million Master Commitment to the Neighborhood Housing Services of America (NHSA).

Prior to joining Fannie Mae, Mr. McClendon headed the Urban Residential Finance Authority (URFA) of the City of Atlanta. Mr. McClendon was instrumental in developing state legislation to create URFA and was successful in issuing over $80 million in single family and multi-family bonds.

Concurrent to managing URFA, Mr. McClendon was Director of Financial Analysis and Auditing for the City of Atlanta. His responsibilities included investment management, revenue forecasting, structuring all city bond issues and managing the water/sewer and airport budgets. He was also instrumental in developing the investment and debt strategies for Hartsfield Atlanta International Airport and other major revenue bond issues.

Prior to assuming the Directorship, Mr. McClendon was Atlanta's Chief Investment Officer, managing the City's $600 million investment portfolio. He set overall investment strategy and managed day-to-day trading activity and operations.

Mr. McClendon holds a MBA degree from Georgia State University and a Bachelor of Arts degree from Morehouse College. He is a member of the Board of Directors of the National Association of Securities Professionals, the Atlanta Urban League, 100 Black Men of Atlanta, Inc., the Atlanta Business League, Capitol City Bank and Trust Company, and the Southern Education Foundation, and a National Trustee of the Boys and Girls Clubs of America. His former Board memberships include the Federal Home Loan Mortgage Association (Freddie Mac), Mutual Federal Savings and Loan Association of Atlanta, Atlanta Committee for the Olympic Games (ACOG), the Atlanta Economic Development Corporation, Zoo Atlanta and, the Atlanta Ballet. He also served as Vice Chairman of the 1991-92 Morehouse College Capital Campaign.

Mr. McClendon is extremely active in the Atlanta community. He is a member of the Finance Committee of Warren United Methodist Church, Kappa Alpha Psi Fraternity, and a 33° Mason, Prince Hall Affiliation.

Mr. McClendon is married to Ryland Needom McClendon and is the proud father of four children - Jasmine, Damon, Ryland Michelle and Rayna.

Richard, Don asked me to draft a memo from him to Lindsey. FYI
Adam

To: Bruce Lindsey, Assistant to the President
Fr: Don Fowler, Chair, Democratic National Committee
Dt: Monday, October 16, 1995
Re: Indian tribal leadership concerns

In the past two months, I have hosted several meetings for Indian tribal leaders from across the country, many of whom are members in the National Congress for the American Indian (NCAI) and the National Indian Gaming Association (NIGA), the primary lobbying arm for Indian tribes. The following three bills in their current form would adversely affect Indian "tribal sovereignty" and are the highest priority concerns to Indian tribes.

* Part VI of the Revenue Reconciliation bill which is being marked up in the Senate Finance Committee this week. Part VI is the priority concern to gaming and non-gaming Indian tribes.

* The Bureau of Indian Affairs (BIA) cuts in the Interior Appropriations bill.

* The Indian Gaming Regulatory Act (IGRA) amendments.

*** Part VI of the Revenue Reconciliation bill-**
This budget bill tax provision would tax Indian gaming revenue by 34 percent. Tribal leaders believe this tax would undermine the very definition of "tribal government" as it would violate the tribes treaty protected right to self-government and the U.S. government's responsibility to Indian tribes. No proposal has ever been made to impose a federal income tax on state or other governments which conduct gaming activities to raise money to carry out governmental services. Because the vast majority of gaming revenue is spent directly on tribal services including education, housing and health, Indian gaming is considered integral to Indian tribal government self-sufficiency and self-determination.

While there is bipartisan support in the Senate Finance Committee (Senator Dole also opposes the tax) opposing the tax provision, and Interior and Treasury Departments have opposed the tax, tribes have asked the White House to articulate a direct position against the tax. Many tribal leaders see this as the best opportunity for the President to demonstrate his commitment to tribal sovereignty.

*** Interior Appropriations (BIA and TPA) cuts-**
Indian tribes seek significant restoration of BIA funding cuts which were 16 percent below 1995 funding and 23 percent below the President's FY96 request. These cuts included a 35 percent reduction in Tribal Priority Allocation (TPA) funds, the most highly prized funds as they directly aid tribal education, child care, law enforcement and other necessary services.

*** IGRA amendments-**
Both Senate (S.487) and House (H.R.1512) amendments would increase regulatory burdens on gaming tribes and undermine current IGRA provision which force states to enter into compact agreements with Indian tribes. H.R.1512 is more antagonistic to Indian tribes than S.487.

Enc: Correspondence from Indian tribes which pertain to issues of concern listed above.



DNC 3235646

TUESDAY, APRIL 23, 1996
PAGE 3

2:30pm **OFFICE BLOCK**
Chairman's Office

Contact: Nick Caggia x8122

~~2:45pm~~ **DEPART** DNC
3:15pm **EN ROUTE** Mayor Marion Barry's Office

~~3:00pm~~ **ARRIVE** for MEETING with Mayor Marion Barry
3:30pm 441 4th Street, NW
Suite 1100
Washington, DC

Contact: Laverne Harvey 202/727-6263

~~4:00pm~~ **DEPART** Mayor Marion Barry's Office
4:30pm **EN ROUTE** DNC

~~4:15pm~~ ~~**ARRIVE for OFFICE BLOCK**~~
~~Chairman's Office.~~

~~Contact: Nick Caggia x8122~~

4:45pm ARRIVE for Meeting w/ Larry Kitto, Steve Hildebrand & David Mercer re: Indian fundraising
5:00pm **MEETING** with Debra DeLee
Chairman's Office

Contact: Chona 312/336-5114

5:30pm **MEETING** with B.J. Thornberry
Chairman's Office

Contact: Marie Long x8121

6:00pm **OFFICE BLOCK**
Chairman's Office

Contact: Nick Caggia x8122

6:25pm **DEPART** DNC
EN ROUTE National Democratic Club

DNC 3013976

EXHIBIT
DM-35

Finance

Memorandum

DATE: March 15, 1995

TO: Chairman Fowler

FROM: David Mercer

RE: Briefing for O'Connor/Kitto Meeting

CC: Sullivan, Wakem and Swiller

Pat O'Connor, a Minneapolis DNC Trustee, requested a meeting with you to introduce Larry Kitto, a BLF member and lobbyist for several Minnesota Indian tribes. The meeting, scheduled for 3:00 pm today, is preceded by a meeting they are having with Tom Collier, Interior's Chief of Staff. Below is a background briefing on the participants and their issues.

Participants

Pat O'Connor--hosted recent Chairman's brunch in Minneapolis; '93 DNC Trustee; today is his 75th Birthday; he and his wife, Evie served as Clinton/Gore '92 Minnesota finance chairs; partner, O'Connor & Hannan; represents American Indian interests.

Larry Kitto--President, MPA Consultants; member, Sioux Tribe; Harvard graduate; American Indian lobbyist; recently joined the firm of O'Connor & Hannan; BLF member; executive with Little Six, Inc. an American Indian gaming company.

Issues

O'Connor wanted to introduce Kitto to you since he was unable to attend the Minneapolis brunch. Kitto is supportive of the DNC and O'Connor believes we can raise his level of participation. The meeting helps to reinforce Kitto's relationship with the DNC and by extension our relationship with the American Indians in Minnesota.

O'Connor and Kitto are meeting with Tom Collier to represent the concerns of several Minnesota tribes about a neighboring Wisconsin dog track that might be converted into a casino. Apparently several Wisconsin tribes, led by the St. Croix, have submitted a bid on the track and are seeking to establish "land in trust" with the Department of Interior. According to O'Connor and Kitto, this would lead to direct competition to Minnesota gaming operations--Little Six and Treasure Island casinos--and bring economic hardship to Minnesota tribes.

STEPTOE & JOHNSON LLP
ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036-1795

(202) 429-3000
FACSIMILE: (202) 429-3902
(202) 429-3000

PHOENIX, ARIZONA
TWO RENAISSANCE SQUARE
TELEPHONE: (602) 257-5000
FACSIMILE: (602) 257-5099

THOMAS C. COLLIER, JR.
(202) 429-6242

STEPTOE & JOHNSON INTERNATIONAL
AFFILIATE IN MOSCOW, RUSSIA
TELEPHONE: (011-7-500) 229-2000
FACSIMILE: (011-7-500) 229-2001

MEMORANDUM

June 3, 1996

TO: Gretchen Lerach

FROM: Tom Collier

RE: Shakopee Meeting, 2:30 p.m., June 4

You requested information on our meeting at 2:30 pm with Chairman Fowler and Executive Director Thornberry.

1. Attendees are all representatives of the Shakopee Mdewakanton Sioux (Dakota) Community and include the following (biographies are attached):

Stanley Crooks: Tribal Chairman

Glynn Crooks: Tribal Vice-Chairman

Susan Totenhagen: Tribal Secretary-Treasurer

Kurt BlueDog: Tribal General Counsel

Tom Collier: Outside Counsel, Steptoe & Johnson (Former, Chief of Staff, Secretary Bruce Babbitt)

2. The Shakopees are a relatively small tribe located just south of Minneapolis, Minnesota. They own and run one of the most financially successful Casinos in America.

DNC 3015371

EXHIBIT
DM-36

GOVER, STETSON & WILLIAMS, P.C.
ATTORNEYS AT LAW
6501 RIO GRANDE BOULEVARD, N.W.
ALBUQUERQUE, NEW MEXICO 87104-0888

TELEPHONE (505) 848-[illegible]
FAX (505) 848-[illegible]

WASHINGTON OFFICE
1155 CONNECTICUT AVENUE, N.W., SUITE 500
WASHINGTON, D.C. 20036
TELEPHONE (202) 467-[illegible]
FAX (202) 452-[illegible]

KEVIN GOVER*
CATHERINE BAKER STETSON
SUSAN N. WILLIAMS*
GWENELLEN P. JANOV**
JAMES D. COONEY

*ADMITTED IN NM AND DC
**ADMITTED IN NY, PA, AND VI

OFFICE ADMINISTRATOR
JENNIE S. CARAUS
LEGAL ADMINISTRATOR
CAROL ANN REBERRA
LEGAL ASSISTANTS
ANNE S. DURAN
CARMEN BARELA
JO ANN ARAGON

MEMORANDUM

To: Craig Smith and Judy DeAtley

From: Kevin Gover and Cate Stetson

Re: Meetings with Indian Democratic Activists

Date: June 19, 1995

What do they want

Craig Smith Coordinator Plan - [illegible]

This memo is to brief you for the upcoming meetings with Indian Democratic activists. In general, [Clinton should do well with the tribes in 1996.] His performance on Indian policy has not been great, frankly, but the reasons are too complicated to go into in this memo. Suffice it to say that you cannot win by relying on the expectations of Indian country. You must instead compete with the Republicans. None of the Republican candidates have any special rapport with Indian country, although Phil Gramm is trying to use John McCain to rally Indian support. In our judgment, that will not work if you begin competing for the Indian vote now. [You may not assume you will win Indian country.] However, if you will compete earnestly and early, you will win.

how strong what does it look like

Following are a few specific suggestions, but first we remind you that tribal leaders are politicians. They have to run for their offices in most cases, and their actions will reflect what

EXHIBIT
DM-37

DNC 3245433

they believe to be in their best political interests. The White House's recent experience with Navajo President Hale is a clear example. Hale had been led to expect to see President Clinton; when he did not, he did the next best thing in terms of his political credibility at home: he attacked the Administration. We need overwhelming Navajo support to compete in Arizona and to secure New Mexico; yet President Hale was herded into the White House as though he were no more than any other tribal leader. While this may be fine protocol, intended to show all the tribes that they are equal in the President's eyes, it is politically foolish. You care about California more than you do Wyoming, and you should care more about Navajo more than you do smaller tribes. Following are some other points.

1. Clinton has some solid accomplishments in Indian policy and they should be emphasized. Moreover, compare Clinton's performance to that of the Republican Congress. Ada Deer did so recently in a well-received speech to the National Congress of American Indians.

2. You are fighting a perception that your Indian supporters are treated no better than your Indian enemies. As a matter of policy and protocol, it is proper that each tribal leader be given equal consideration. When it comes politics, though, you should embrace your friends and keep your adversaries at a distance. Your 1992 supporters have yet to be singled out for special attention by the President or anyone else. Moreover, the White House staff dealing with Indians seems to have no grip on the fact that some Indians did not help you in 1992 and will not in 1996. The White House should honor in some way your Indian supporters from 1992 at an event to which only your supporters are invited.

3. There is a lot of money in Indian country, and a lot of it has gone to the DNC and other Democratic causes in the last decade. However, the DNC has spent none of this money campaigning in Indian country. Therefore, the tribes intend to form a PAC and funnel

DNC 3245434

money into the PAC to run a campaign in Indian country. You must not be threatened or resentful about this. While they do want to send a message, particularly to the DNC, they will still contribute both to the campaign and to the DNC. Moreover, Indians can campaign on Indian reservations better than you can, and if they have money to campaign with, we believe they will deliver solid majorities.

4. [No presidential candidate has ever campaigned on a reservation. It would do wonders to have the President or the Vice-President attend a major Indian event] Crow Fair in Montana, the Navajo Nation Fair in September, and the Northern Navajo Nation Fair in October all draw tens of thousands of Indians, and Indians all over [the country will take note that the President thought it worthwhile to go to an Indian reservation.] This does you more good than any White House meeting with the tribal leaders ever will. [Knowing that the candidates will be overwhelmed with requests in 1996, why not go to a reservation this year on a campaign swing?] We believe that the Navajo Nation Fair is the best place to go, but given that you have targeted Montana, Crow Fair is a solid choice as well. (If you do send Clinton or Gore to a reservation other than Navajo, be certain that Hillary Clinton goes to Navajo; the Navajos will not take kindly to a perception that another tribe is more important than they are.)

5. We need help with state parties. New Mexico is the only state party that has dealt with the tribes appropriately, and even here we have problems because of the tribes' alienation from Bruce King and the departure of Ray Powell as Chairman. Simply put, the state parties act like either they assume the Indians will support them or they don't want Indian support. Perhaps all the DNC and the campaign can do is encourage the state parties to work with the tribes, but even that would be welcome. Finally, if the state parties fail to respond, and

DNC 3245435

most of them will fail to respond, the DNC and the campaign must make special efforts of their own to involve Indians.

6. Native Americans for Clinton-Gore (and/or its successor PAC) will meet regularly, probably in D.C. and at major Indian conventions. Send your top people to these meetings and treat your Indian supporters like the experienced politicians they are. The first opportunity is the National Indian Gaming Association convention in Milwaukee on August 20-23. The NIGA tribes are political powers and must be courted. (The Director of NIGA is a Republican and is allegedly forming an Indian Republican PAC.) The DNC and/or the campaign should have a visible presence at this Convention and several others between now and November, 1996. This is not a huge commitment; there are maybe six meetings between now and the election. At every one, you should have people there to brief your supporters and get their input on the campaign.

7. Share your strategies with us as you would with any other key supporters. In 1992, Bill Richardson arranged a meeting in Little Rock between your Indian supporters and top campaign staff, and it produced tremendous enthusiasm. Mike Lux conferred with us regularly and followed our advice. The results of these simple and obvious consultations was a widespread perception that, for the first time ever, a Presidential candidate cared what Indians thought; this resulted in an overwhelming win for Clinton on reservations throughout the country. When the time comes (surely no later than this fall) let us organize a meeting between tribal supporters and your campaign staff. We could easily bring in 200 people devoted to the re-election of the President. That would be a good time for the event for your Indian supporters at the White House, too.

DNC 3245436

8. [You must have a paid Indian staffer at both the campaign and at the DNC.] The tribes have poured hundreds of thousands of dollars into the DNC and Democratic campaigns in the last four years, and we have yet to see an Indian staffer with whom we can work. If you would do it now, rather than in August of next year, it will look more like the product of genuine interest in Native Americans and less like an appeasement of a constituency. Many tribes would give money if they knew it would be spent on an Indian staffer. But please, make sure you get the right person!

9. At every stop Clinton and Gore make in the Indian country states, you should be sure that Indian supporters are included. We can give you names of your Indian supporters in all of the western states and most of the eastern states. You always have been good about this; in fact, no President has ever been better, and we heard very positive comments from tribal leaders after the President's recent visit to Billings, Montana. But there is always room for improvement.

10. Everyone in your campaign should know that [the Indian vote is the potential winning margin for Democrats in New Mexico, Arizona, Montana, Nevada, and South Dakota. There are congressional districts throughout the west where solid Indian blocs can contribute enormously to Democratic victories. Moreover, the tribes can be major financial players in California, Minnesota, Wisconsin, Florida, New Mexico, and Washington.] We will have coordinators in all of these states, and they need to be in the loop. If your campaign staffers are made aware of the importance of the Indian vote and Indian money to the President, they are more likely to make efforts to involve Indians.

11. We need some early logistical support in identifying congressional races where we can help. While we know anecdotally that there are districts in Washington, California, and

DNC 3245437

Arizona where Indians can help to unseat Republican incumbents, we need a more thorough understanding of the districts you have targeted. Particularly in a year when you'll be running against a Republican Congress, the Indian vote can be energized around congressional races as well as the Presidential. (Indeed, a central element of our strategy is to talk loud and long about what the Republicans are doing to Indian programs.)

12. While "motor voter" has lead many to believe that the parties should not devote resources to voter registration, we believe that Indian country may be the exception. While the turnouts for Democrats on the New Mexico and Montana reservations was great in 1992 and good in 1994, registration remains relatively low. If we can get them registered, they will vote overwhelmingly Democrat.

13. Above all, remember that Indians are part of your base vote. They supported Clinton in 1992 and want to do so again. This time they will need a little encouragement, but only a little, we believe. The relatively minor investments of time and money described in this memo will secure this part of your base, and you should do it now so that you don't have to do so next year. Some early attention will lock up the tribes, leaving the Republicans either to give up or, better yet, to waste time and energy on a futile effort. If neglected, though, Indians can become balky, if not hostile. There is no good reason to allow this to happen to the Clinton campaign. Indians are inclined to vote for Democrats, and the President has a good enough record to outshine any of the Republican candidates. Clearly, Indian country is yours to win.

DNC 3245438

DUCHENEAUX, TAYLOR & ASSOCIATES
303 MASSACHUSETTS AVENUE, N.E.
FRANKLIN DUCHENEAUX
PETER B. TAYLOR
CATHERINE DUCHENEAUX, EXECUTIVE ASSISTANT
WASHINGTON, D.C. 20002
TELEPHONE: (202) 544-1353
FAX: (202) 544-0820

July 27, 1995

Mr. David L. Mercer
Democratic National Committee
430 S. Capitol Street, S. E.
Washington, D. C. 20003

Dear Dave:

I want to thank you for your card regarding the decision of Secretary Babbitt on the proposed land acquisition of the Hudson Dog Track for Indian gaming purposes. The Minnesota Tribes are very grateful to you and the Chairman for your assistance in advising the President and the Secretary on this matter. I do want you to know that the tribes are heart-sick at the necessity of having to oppose the aspiration of other Indian tribes to achieve economic self-sufficiency.

In your card, you graciously offer to assist on other urgent Indian matters. While the Clinton Administration has, indeed, taken very positive positions on the general area of Indian affairs, this is some concern among the tribes about the actual commitment of the Administration to those public assurances. I would like to suggest an no-lose action that the White House could take in the next day or two which would cement the support of the tribes to the Administration.

Senator Slade Gorton, Chairman of the Senate Appropriations Subcommittee on Interior & Related Agencies and a long-time Indian fighter, recently declared war on Indian tribes in his markup of the FY 1995 appropriation for the Bureau of Indian Affairs. I am enclosing a copy of a memo we have done for our clients in this respect.

I understand that the Administration may consider a veto threat on this bill because of non-Indian related matter in both the House and Senate marks. If that is true, it would not take much more for the White House to take a strong position against the attack against Indian people taken in the Senate Subcommittee markup.

Sincerely,

Franklin Ducheneaux

EXHIBIT
DM-38

MEMORANDUM

To: Joe Sandler

Fr: David Mercer

Dt: January 5, 1994

Re: In-Kind Contributions

The following is the latest summary of in-kind contributions received for the December 4th California event. An * marks those contributions that you should already have on file. I also list three other contributions for which I'm gathering paperwork that were made to cover our hotel expenses. Should you have any questions, please contact me at ext. 7105.

Donor	Expense Item	Amount
David Brand	*Hotel Rooms	$1, 671.69
	Travel	$1, 372.00
	Sub Total	$3,043.69
Webster Guillory	Cellular Phones/Airtime	$5,000.00 (Estimate/Revision Pending)
Bill Shack	Automobile	$3,905.94
Steve Rojas	2 Automobiles	$4,095.00
John Huang	Hotel	$6,500.00 (Awaiting paper work)
Richard Bertch	Hotel	$2,500.00 (Awaiting paperwork)
Margaret Nixon	*Hotel	$2,000.00
Mel Levine	Office Space	$2,621.96
Ron Volkmer	Hotel	$1,000.00
Beverly Hilton	*Rooms	$36,000.00
Total	———	$65,666.59

The following were not associated with the event:

Donor	Expense Item	Amount
William Peaks	*Consulting Fee	$7,000.00
Clayton McKindra	*Consulting Fee	$1,000.00

EXHIBIT
DM-39

DNC 0292276

Appendix A cont'd

IN-KIND

Money Raised for Services, Office Space, Lodging

Name	Purpose	Solicitor	Federal	Non-Fed
David Brand	Hotel	Mercer	$ 1,672	
	Travel	Mercer	$ 1,372	
Richard Bertsch	Hotel	Mercer	$ 2,500	
John Huang	Hotel	Mercer	$ --	$ 13,000
Margaret Nixon	Hotel	Mercer	$ 2,000	
Ron Volkman	Hotel	Mercer	$ 1,000	
		In-kind $ Raised Subtotal	$ 8,544	$ 13,000

In-kind Services and Equipment Provided

Name	Purpose	Solicitor	Federal	Non-Fed
W. Guillory	Cellular	Mercer	$ 1,701	
Mel Levine	Office	Jacobson	$ 2,622	
Steve Rojas	Cars	Mercer/Moore	$ 4,095	
Bill Shack	Car	Mercer/Moore	$ 3,906	
Linda Sperber	Rooms	Jacobson	$ 36,000	
	In-kind Services Subtotal		$ 48,324	
		In-kind Total	$ 56,868	$ 13,000

Total Federal: 56,868
Total Non-Federal: $13,000
Total In-Kind: 69,868
Total Raised and in-kinded $605,418

BUDGET/EXPENSES

*Hotel/Office Expenses Incurred 10/6-12/19/93

Guest Quarters	(9/27-10-6/93)	$ 2,000
Room 332 Charges	(10/6-12/19/93)	$ 6,128
Room 703 Charges	(10/6-12/12/93)	$ 2,862
Room 711 Charges	(10/6-12/5/93)	$ 4,179
Room 525 Charges	(10/13-11/23/93 Guest Quarters)	$ 2,200
Room 343 Charges	(10/6-11/15/93)	$ 1,819
Room 618 Charges	(10/6-11/12/92 Guest Quarters)	$ 2,000
	Hotel/Office Expense Subtotal	$ 21,188

*(Hotel was used as base of operations in lieu of office space. Charges--phones, faxing, overnight, parking and services such as the delivery of flowers etc.-- incurred over a 2 month period were underwritten by in-kind contributions.)

Per Diems

Amiee Appleby	(Oct/Nov)	$ 660
John Coletti	(Oct/Nov)	$ 660
Nancy Jacobson	(Oct/Nov)	$ 660
Ken Levy	(Oct/Nov)	$ 660
Porter White	(Oct/Nov)	$ 660
David Mercer	(Oct/Nov)	$ 660
	Office Staff Per Diems Subtotal	$ 3,960

DNC 0292277

Appendix A cont'd

Event Expenses Incurred 11/29-12/5/93		
Pipe & Drape for CAA event		$ 1,650
White House Advance Staff Room		$ 2,635
Geffen Reception	(10/6 Event w/POTUS)	$ 1,286
White House Staff Room		$ 213
Event Consultant Fees	(10/25-12/4/93)	$ 10,000
	Event Expense Subtotal	$ 15,784

Total Expense: $ 36,972

(Expenses for CAA event such as wine which were handled by the hosts either with in-kinds or purchases.)

DNC 0292278

THE PRESIDENT HAS SEEN
5/7/96

DEMOCRATIC NATIONAL COMMITTEE
PRESIDENTIAL COFFEE 11:01A D. YAMADA

Date: Tuesday, May 7, 1996
Location: The White House
The Map Room

Time: 9:00 a.m.

I. PURPOSE

The purpose of this coffee is to raise funds for the Democratic National Committee.

II. BACKGROUND

This group has been pulled together by Shelby Bryan. Chairman Fowler met with Shelby and Stan McLelland in February and discussed Shelby's hope of getting this group together. They are all new contributors to the DNC.

III. PARTICIPANTS

Please see attached list.

IV. PRESS PLAN

This event will be closed to the press.

V. SEQUENCE OF EVENTS

- Call Time. Chairman Fowler arrives and guest will be seated at table for coffee.
- PROGRAM
  - POTUS arrives
  - Chairman Fowler delivers brief remarks.
  - POTUS delivers informal remarks.
  - Departure after the program.

VI. REMARKS

Informal

EOP 024249

EXHIBIT
DM-40

-ONC

WIN IN '96

DEMOCRATIC NATIONAL COMMITTEE

Donald L. Fowler, *National Chair* • Christopher J. Dodd, *General Chair*

September 28, 1995

OK
-John

[redacted]

Dear [redacted]:

1995 has been a good year for the Democratic National Committee and for the Clinton Administration. President Clinton's policies are moving the country in the right direction. But we have some critical issues facing us during the current debate over budget priorities and the role of government. The President has asked me to invite you and a small group of other people to discuss these matters and what we are doing about them. Please join us for coffee at the White House on October 6 at 9:00 a.m.

Someone will call you within a few days to determine if you can join me. Thank you. I look forward to seeing you on October 6.

Sincerely,

EXHIBIT
DM-41

Donald L. Fowler

10/3 yes. At the Hay Adams. Does Harold need to go? He has lunch with Carville scheduled.

10/2 today I heard they moved it to lunch out of WH / please confirm. J

10/3 NO - But make sure DS is there!

EOP 035478

Democratic Party Headquarters • 430 South Capitol Street, S.E. • Washington, D.C. 20003 • 202.863.8000 • FAX: 202.863.817

Paid for by the Democratic National Committee. Contributions to the Democratic National Committee are not tax deductible

13 March 1996

Non-Responsive Material Has Been Redacted

MEMORANDUM TO THE PRESIDENT
THE VICE PRESIDENT

CC: Leon Panetta
Evelyn Lieberman
Maggie Williams
Ron Klain
Doug Sosnik (w/o enc.)
Karen Hancox (w/o enc.)
Chairman Fowler (w/o enc.)
Chairman Dodd (w/o enc.)
Marvin Rosen (w/o enc.)
B.J. Thornberry (w/o enc.)
Scott Pastrick (w/o enc.)
Richard Sullivan (w/o enc.)
Brad Marshall (w/o enc.)

From: Harold Ickes

Re: DNC financial summary and fundraising plan

On 13 March the DNC (Chairman Fowler, Marvin Rosen, et al.) presented a weekly financial summary of the DNC, dated 13 March 1996 and a projected fundraising plan for January through October 1996.

2. The multi-paged document captioned in the upper right hand corner "Revenue and Expense Summary", dated 3/13/96 in my hand writing, shows a projected gross revenue from major donors of $93.6 million and projected gross revenue from direct mail of $30 million for a total projected gross revenue of $123.6 million, of which $12.5 million has been raised to date.

There is a schedule for each month showing each event for the month, the total projected gross revenue for each event and for each month as follows (in millions):

January	2.4 (actual)
February	5.0 (actual)



CGRC-0039
Req. 2/3/97

March	7.4
April	13.1
May	8.0
June	13.7
July	5.9
August	7.8
September	14.1
October	13.5
Total	90.7

We have requested that some of the September and October dates be moved into August and July. Marvin Rosen will develop a revised schedule.

3. Fundraising agreements. Also attached is a document captioned "Political Fundraising Agreements", dated 3/13/96, which show the agreements reached with each state party participating in the fundraising events described in the document. Some of those state parties will receive some revenues from these events that will be specifically designated for the state party's share of the coordinated campaign budget for that state. Those designated monies will go into a separate account which will require two signatures, one of the signatories of which will be Brad Marshall or Joe Sandler of the DNC, thereby insuring that the coordinated campaign funds will be available for those purposes. In some cases, the state parties will receive revenues from some of these fundraisers that they can use at their discretion.

4. Direct mail: It is about $1.5 million below projections for the year to date. But according to Chairman Fowler, Hal Malchow is confident the $30 million gross for calendar 1996 will be met.

Democratic National Committee
Financial Summary
03/13/96

3| 13/96

Year to Date Fundraising Deposit Summary:

	Direct Mail	Major Donor	Totals
January Deposits	$ 756,604	$ 2,347,087	$ 3,103,691
February Deposits	1,655,724	4,805,271	6,460,995
March Deposits	1,318,475	1,327,577	2,646,052
Totals	$ 3,730,803	$ 8,479,935	$ 12,210,738

Non-Responsive Material Has Been Redacted

CGRO-0041
Req. 2/3/97

DC TOWER DATES SLIPPED								
PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
PEOPLES	Houston Gala	tbd	$700,000	$0	$70,000	tbd	tbd
PEOPLES	Houston Sax	tbd	$100,000	$0	$10,000	tbd	tbd
PEOPLES	San Francisco Gala	tbd	$1,000,000	$0	$100,000	tbd	tbd
PEOPLES	Boston Gala	tbd	$2,000,000	$0	$200,000	tbd	tbd
PEOPLES	Boston Sax Club	tbd	$200,000	$0	$20,000	tbd	tbd
PEOPLES	Chicago Gala	tbd	$1,000,000	$0	$100,000	tbd	tbd
PEOPLES	Chicago Sax	tbd	$150,000	$0	$15,000	tbd	tbd
PEOPLES	NYC Gala	tbd	$3,000,000	$0	$300,000	tbd	tbd
PEOPLES	NYC Saxophone	tbd	$300,000	$0	$30,000	tbd	tbd
PEOPLES	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
PEOPLES	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
PEOPLES	Coffee	tbd	$400,000	$0	n/a	n/a	$0
PEOPLES	Coffee	tbd	$400,000	$0	n/a	n/a	$0
VPEOPLES	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPEOPLES	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPEOPLES	New Orleans	tbd	$250,000	$0	$25,000	tbd	tbd
VPEOPLES	Detroit	tbd	$250,000	$0	$25,000	tbd	tbd
VPEOPLES	Minneapolis	tbd	$250,000	$0	$25,000	tbd	tbd
VPEOPLES	NYC	tbd	$500,000	$0	$25,000	tbd	tbd
VPEOPLES	Cincinnati	tbd	$250,000	$0	$25,000	tbd	tbd
PEOPLES/AHG	DC Dinner	tbd	$250,000	$0	$50,000	tbd	tbd
PEOPLES/AHG	New Jersey	tbd	$250,000	$0	$50,000	tbd	tbd
PEOPLES/AHG	NYC	tbd	$300,000	$0	$60,000	tbd	tbd
PEOPLES	Philadelphia	tbd	$400,000	$0	$40,000	tbd	tbd
AHG	Pittburgh	tbd	$50,000	$0	$5,000	tbd	tbd
TOTAL			$11,500,000	$0	$1,195,000	$0	($1,195,000)
					Salary Expense	$260,000	
					Miscellaneous	$139,773	
					Total Expense	$1,584,773	

CGRO-0042
Req. 2/3/97

DNC state
spotted

3/13/96

3/13/90
Fowler -
There are the
only state party
events to schedule
to date

POLITICAL FUNDRAISING AGREEMENTS

CONNECTICUT - February 24th

The event raised between $120,000 -$140,000
The Connecticut State Party has a $125,000 debt.
The State Party made a $13,500 contribution to the DNC to cover the costs .
An additional $35,000 raised will go toward the DNC line item in the Coordinated Campaign.
The remaining money will be used by the State Party at their discretion.
A letter of agreement was sent to Ed Marcus. Ed returned it with different terms.
Chairman Fowler has sent a subsequent letter laying out once again the original terms.
Followup: The $35,000 needs to be deposited in the Coordinated Campaign account.
(Note: The Coordinated Campaign Accounts have been set up.
Kathleen Curry and Jim Lawlor are co-signers.

MARYLAND - February 29th

Chairman Fowler spoke with Mary Jo Neville regarding the agreement.
The following is the agreement.
Two tiered event -- $1000 reception and $100 dinner.
The goal of the event was $100,000-$150,000. They raised $55,000 gross ($24,000 net)
The Party made a $10,000 contribution to the DNC to cover travel expenses.
DNC gets 25% of the net of what is raised -- this will be credited to the DNC line item in the Coordinated Campaign. This money will be deposited into a coordinated campaign account.
75% the State Party will be able to keep with no strings attached.
The Maryland Democratic Party made a contribution to the DNC to cover the travel costs.
The Maryland Democratic Party has set up a jointly controlled dinner committee to collect the proceeds. Brad Marshall is a co-signer on this account.
Follow-up: The Coordinated Campaign Accounts need to be set up. The $6,000 needs to be moved into the Coordinated accounts.

MINNESOTA - March 1st

The Minnesota Party will put $25,000 of the proceeds toward the DNC line item in the Coordinated Campaign.
The State Party made a contribution of $9,000 to the DNC to cover trip costs.
Follow-up: Maureen needs to call Steve Hildebrand to obtain signature cards for the CC accounts.
After the accounts have been set up, the $25,000 needs to be moved.

CGRO-0043
Req. 2/3/97

JANUARY

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	DC Lunch (Texas) *	5-Jan	$500,000	$400,000	$5,000	$4,479	($521)
P/VPOTUS	Nashville Reception	12-Jan	$150,000	$150,000	$25,000	$27,560	$2,560
POTUS	Coffee	17-Jan	$400,000	$400,000	n/a	n/a	n/a
POTUS	Coffee	25-Jan	$400,000	$400,000	n/a	n/a	$0
POTUS	Coffee	26-Jan	$400,000	$400,000	n/a	n/a	$0
POTUS	Finance Board Lunch	29-Jan	n/a	n/a	$20,000	tbd	tbd
POTUS	DC Dinner	29-Jan	$500,000	$490,000	$5,000	$5,387	$387
TOTALS			*$2,350,000*	*$2,240,000*	*$55,000*	*$37,426*	*$2,426*
				Salary Expense	*$260,000*	*$260,000*	
				Miscellaneous	*$130,800*	*$52,000*	
				Total Expense	*$445,800*	*$349,426*	*($96,374)*

* Also raised $155,000 for the Texas State Party

EXHIBIT
DM-45

CGRO-0048
Req. 2/3/97

'95 D

VP Coffees Since April 1995

Date	Event	Description	Location
5/3/95	Optional Coffee	Map room	Map Room
5/31/95	Coffee	DNC Supporters	OEOB Ceremonial Office
6/1/95	Coffee	DNC Supporters	OEOB Ceremonial Office
6/5/95	Coffee	DNC Supporters	OEOB Ceremonial Office
6/14/95	Coffee	DNC Supporters	OEOB Ceremonial Office
7/20/95	Coffee	Political Supporters	OEOB Ceremonial Office
8/8/95	Coffee	DNC Supporters	Map Room
8/10/95	Optional Coffee	DNC Supporters	Map Room
9/14/95	Coffee	DNC Supporters	OEOB Ceremonial Office
9/15/95	Coffee	DNC Supporters	OEOB Ceremonial Office
10/5/95	Coffee	DNC Supporters	OEOB Ceremonial Office
10/25/95	Coffee	DNC Supporters	OEOB Ceremonial Office
11/21/95	Coffee	DNC Supporters	OEOB Ceremonial Office
11/28/95	Coffee	DNC Supporters	OEOB Ceremonial Office
12/15/95	Coffee	DNC Supporters	OEOB Ceremonial Office
12/18/95	Coffee	DNC Supporters	OEOB Ceremonial Office
3/5/96	Coffee	DNC Supporters	OEOB Ceremonial Office
3/29/96	Coffee	DNC Supporters	OEOB Ceremonial Office
4/12/96	Coffee	DNC Supporters	OEOB Ceremonial Office
4/26/96	Coffee	DNC Supporters	OEOB Ceremonial Office
5/2/96	Coffee	DNC Supporters	OEOB Ceremonial Office
5/16/96	Coffee	DNC Supporters	Room 472 OEOB
6/19/96	Coffee	DNC Supporters	OEOB Ceremonial Office
7/10/96	Coffee	DNC Supporters	OEOB Ceremonial Office

5/16/95 "
9/4/95 Map Rm
8/10/95 "
5/3/95 "
6/21/95 "

4/19/95 Map
2/16/95 Plaza

EOP 055666

EXHIBIT
DM-44

DNC supporters > finance generated
C/G supporters
Political / Community leaders - not related to finance ...

VP Coffees Since April 1995

Date	Event	Description
~~5/3/95~~	~~Optional Coffee~~	~~Map room~~
5/31/95	Coffee	DNC Supporters
6/1/95	Coffee	DNC Supporters
6/5/95	Coffee	DNC Supporters
6/14/95	Coffee	DNC Supporters
7/20/95	Coffee	Political Supporters
8/8/95	Coffee	DNC Supporters
8/10/95	Optional Coffee	DNC Supporters
9/14/95	Coffee	DNC Supporters
9/15/95	Coffee	DNC Supporters
10/5/95	Coffee	DNC Supporters
10/25/95	Coffee	DNC Supporters
11/21/95	Coffee	DNC Supporters
11/28/95	Coffee	DNC Supporters
12/15/95	Coffee	DNC Supporters
12/18/95	Coffee	DNC Supporters
~~2/20/96~~	~~Breakfast~~	~~DNC Supporters~~
3/5/96	Coffee	DNC Supporters
3/29/96	Coffee	DNC Supporters
4/12/96	Coffee	DNC Supporters
4/26/96	Coffee	DNC Supporters
5/2/96	Coffee	DNC Supporters
5/16/96	Coffee	DNC Supporters
6/19/96	Coffee	DNC Supporters
7/10/96	Coffee	DNC Supporters
~~10/11/96~~	~~Coffee for Political~~	~~Political Supporters~~

EXP OSS1667a

Tipper Gore Coffees Since January 1995

Date	Event	Description	Location
3/7/95	Coffee	DNC Supporters	Official Residence
~~4/21/95~~	~~Coffee~~	~~DNC Supporters~~	~~Official Residence~~
3/7/96	Coffee	DNC Supporters	Official Residence
4/23/96	Coffee	Political Supporters	Official Residence
4/30/96	Coffee	Political Supporters	Official Residence
5/8/96	Coffee	Political Supporters	Official Residence
~~11/7/96~~	~~Tea~~	~~DNC Supporters~~	~~Official Residence~~

Lucia paid; private lunch..

3/7 Gwen Berlin husband
Ronnie Goldberg
George Kroenenberg DC
~~Maria Leftwich~~
MS Parker - Sandler Law Problem
Lis Robbins
Sascha Millstone ?
3/7/96 Penny Lee
Kathy Heycock

Sulcika Cabrera Dinanc

4/30/94 Ancash Chopie

EOP 055668

1/11/95 - Incorrect
2/21/95 - Incorrect
3/7/96 - NAVOB - Incorrect

White House Political Coffees*
January 11, 1995 - November 5, 1996

Date	Event	Description	Location
8/23/96	Coffee	DNC Supporters	Map Room
8/21/96	Coffee	DNC Supporters	Map Room
8/6/96	Coffee	DNC Supporters	Map Room
8/2/96	Coffee	DNC Supporters	Map Room
7/18/96	Coffee	Political and Community Leaders	Map Room
7/10/96	Coffee	DNC Supporters [VPOTUS]	OEOB
7/8/96	Coffee	DNC Supporters	Map Room
6/20/96	Coffee	DNC Supporters	Map Room
6/19/96	Coffee	Political and Community Leaders	Map Room
6/19/96	Coffee	DNC Supporters [VPOTUS]	OEOB
6/18/96	Coffee	DNC Supporters (morning)	Map Room
6/18/96	Coffee	DNC Supporters (afternoon)	Map Room
6/17/96	Coffee	DNC Supporters	Map Room
6/6/96	Coffee	DNC Supporters	Map Room
6/3/96	Coffee	DNC Supporters	Map Room
5/29/96	Coffee	Political and Community Leaders	Map Room
5/17/96	Coffee	DNC Supporters	Map Room
5/16/96	Coffee	DNC Supporters [VPOTUS]	OEOB
5/14/96	Coffee	Political and Community Leaders	Map Room
5/13/96	Coffee	DNC Supporters	Map Room
5/8/96	Coffee	Political and Community Leaders	Map Room
5/8/96	Coffee	Political and Community Leaders [Mrs. Gore]	NAVOBS

5/7/96	Coffee	DNC Supporters	Map Room
5/7/96	Coffee	Political and Community Leaders [FLOTUS]	Map Room
5/2/96	Coffee	Political and Community Leaders	Map Room
5/2/96	Coffee	DNC Supporters [VPOTUS]	OEOB
5/1/96	Coffee	DNC Supporters	Roosevelt Room
4/30/96	Coffee	Political and Community Leaders [Mrs. Gore]	NAVOBS
4/26/96	Coffee	DNC Supporters [VPOTUS]	OEOB
4/23/96	Coffee	Political and Community Leaders [Mrs. Gore]	NAVOBS
4/12/96	Coffee	DNC Supporters [VPOTUS]	OEOB
4/9/96	Coffee	Political and Community Leaders	Map Room
4/4/96	Coffee	Political and Community Leaders [FLOTUS]	Map Room
4/3/96	Coffee	Political and Community Leaders	Map Room
4/1/96	Coffee	DNC Supporters	Map Room
3/29/96	Coffee	Political and Community Leaders	Map Room
3/29/96	Coffee	DNC Supporters [VPOTUS]	OEOB
3/28/96	Coffee	DNC Supporters	Map Room
3/25/96	Coffee	Political and Community Leaders	Map Room
3/20/96	Coffee	Political and Community Leaders [FLOTUS]	Map Room
3/20/96	Coffee	Political and Community Leaders	Map Room
3/15/96	Coffee	Political and Community Leaders	Map Room
3/12/96	Coffee	Political and Community Leaders [FLOTUS]	Map Room
3/7/96	Coffee	Congressional Wives [Mrs. Gore]	NAVOBS
3/6/96	Coffee	Political and Community Leaders	Map Room
3/5/96	Coffee	DNC Supporters	Map Room
3/5/96	Coffee	DNC Supporters [VPOTUS]	OEOB
3/1/96	Coffee	Political and Community Leaders	Map Room

2/29/96	Coffee	Political and Community Leaders	Map Room
2/28/96	Coffee	Political and Community Leaders	Map Room
2/26/96	Coffee	Political and Community Leaders	Map Room
2/22/96	Coffee	DNC Supporters	Map Room
2/21/96	Coffee	Political and Community Leaders	Map Room
2/20/96	Coffee	Political and Community Leaders	Map Room
2/13/96	Coffee	Political and Community Leaders	Map Room
2/12/96	Coffee	DNC Supporters	Map Room
2/6/96	Coffee	DNC Supporters	Map Room
2/5/96	Coffee	Political and Community Leaders	Map Room
1/30/96	Coffee	Political and Community Leaders	Map Room
1/26/96	Coffee	DNC Supporters	Map Room
1/25/96	Coffee	DNC Supporters	Map Room
1/17/96	Coffee	DNC Supporters	Map Room
12/21/95	Coffee	DNC Supporters	Map Room
12/18/95	Coffee	DNC Supporters [VPOTUS]	OEOB
12/15/95	Coffee	DNC Supporters	Roosevelt Room
12/15/95	Coffee	DNC Supporters [VPOTUS]	OEOB
12/13/95	Coffee	DNC Supporters	Map Room
11/28/95	Coffee	DNC Supporters [VPOTUS]	OEOB
11/21/95	Coffee	DNC Supporters [VPOTUS]	OEOB
11/9/95	Coffee	DNC Supporters	Map Room
11/1/95	Coffee	DNC Supporters	Map Room
10/25/95	Coffee	DNC Supporters [VPOTUS]	OEOB
10/13/95	Coffee	DNC Supporters	Map Room
10/5/95	Coffee	DNC Supporters [VPOTUS]	OEOB

10/2/95	Coffee	DNC Supporters	Map Room
9/27/95	Coffee	Clinton/Gore Supporters	Map Room
9/15/95	Coffee	DNC Supporters [VPOTUS]	OEOB
9/14/95	Coffee	Clinton/Gore Supporters	Map Room
9/14/95	Coffee	DNC Supporters [VPOTUS]	OEOB
9/8/95	Coffee	Clinton/Gore Supporters	Map Room
9/7/95	Coffee	DNC Supporters	Map Room
8/10/95	Coffee	Clinton/Gore Supporters	Map Room
8/8/95	Coffee	DNC Supporters	Map Room
8/3/95	Coffee	Clinton/Gore Supporters	Map Room
7/20/95	Coffee	Political and Community Leaders [VPOTUS]	OEOB
6/21/95	Coffee	DNC Supporters	Map Room
6/14/95	Coffee	DNC Supporters [VPOTUS]	OEOB
6/7/95	Coffee	DNC Supporters	Map Room
6/5/95	Coffee	DNC Supporters [VPOTUS]	OEOB
6/1/95	Coffee	DNC Supporters [VPOTUS]	OEOB
5/31/95	Coffee	DNC Supporters [VPOTUS]	OEOB
5/26/95	Coffee	Clinton/Gore Supporters	Map Room
5/22/95	Coffee	Clinton/Gore Supporters	Map Room
5/16/95	Coffee	Clinton/Gore Supporters	Map Room
5/3/95	Coffee	Clinton/Gore Supporters	Map Room
4/28/95	Coffee	Clinton/Gore Supporters	Map Room
4/19/95	Coffee	Clinton/Gore Supporters	Map Room
3/7/95	Coffee	DNC Supporters [Mrs. Gore]	NAVOBS
2/21/95	Coffee	DNC Supporters [VPOTUS]	Map Room
2/16/95	Coffee	DNC Supporters	Map Room

2/8/95	Coffee	Political and Community Leaders	Map Room
1/12/95	Coffee	DNC Supporters	Map Room
1/11/95	Coffee	DNC Supporters [VPOTUS]	Map Room

* This list represents the White House's best efforts to identify Democratic National Committee and Clinton/Gore '96 White House coffees. It may not be completely accurate. Coffees with political and community leaders are occasions on which persons who were members of one or more constituency groups (e.g., farmers, veterans, law enforcement officials, Hispanics, etc.) were invited. The President attended all coffees except where the chart indicates in brackets that another principal attended (e.g., VPOTUS, FLOTUS, Mrs. Gore).

49.68 [illegible] with S.C. food set-up. 3/13/95

DNC Coffees hosted by VP

5/31/95 Ceremonial
6/1/95 Ceremonial
6/5/95 " - billed to Senate
6/14/95 " - billed to Senate
7/20/95 "
9/14/95 " - billed to Senate
9/15/95 "
10/5/95 " - billed to Senate
10/25/95 Ceremonial - billed to Senate
11/21/95 " - billed to Senate
11/28/95 Ceremonial - billed to Senate
~~12/15/95 Ceremonial - billed to DNC~~
12/18/95 Ceremonial
3/5/96 Ceremonial
3/28/96 Ceremonial
4/12/96 Ceremonial

EOP 055676

		$5,300,536	Previous Total for June 1996		
		Amount	Donor	Event	Total by Event
	6/19/96	$1,500	Ronald M. Gould	3SEA	$1,500
		$12,500	Daniel J. Longworth	LASV	$12,500
		$675	L.A. Sax Misc	LASX	$675
		$10,100	John Y. Brown, Jr. (5), Alexander P. Hixon (5), Donna Arnold	1LAX	$10,100
		$35,000	Richard A. Eisner (10), Rivkalex Corp. - J. Morton Davis (25)	PNFC	
		$133,625	Howard Rubin (25), Dirk Ziff (10), William Reid (10), Robert A. Belfer (10), Augustus Oliver (10), Kramer Dillof Tessel - Thomas Moore (10), SunPark, Inc. - Paul L. Snyder (II) (5)	PNFC	$138,625
		$183,810	Michael A. Caddell (45), Neil B. Strauss (20), Kenneth N. Bigham (10), Webb, Stokes and Sparks LLP - Guy Choate (10), Jorge Rangel (10), Judy L. Trabulsi (10), Roy M. Spence Jr. (10), Stanley P. Jobe (10)	1TEX	$183,810
		$8,975	WLF Boston	3BOS	$8,975
		$300,000	Latona Associates Inc. - Paul Montrone (50), Raymeon Co. - Dennis Picard (50), Global petroleum Corp. - Fred Sivka (25), Elaine M. Schuster (25), Robert Posen (50), Frank H. Pearl - Donor Directed to OH and MI (12.5 each)	TR96	$300,000
		$129,300	Sokol, Benot & Giorenzo (5)	VPPA	$129,300
		$100,000	Frederick M. Baron (50), H. Lee Godfrey (50)	1TEX	$100,000
		$515,000	D.C. Coffee - Asian 385,000 NOT IN HAND - 130,000 in donor directed from Dusingnet G. Kronenberg : PA - 25, CA - 30, FL - 25, OH - 20, IL - 30	JOHN	$515,000
		$204,347	Elie Abboud (20), Morton Weisberg (10), William H. Maloof (12), Cimaco, Cimaco, Seminatore - Edward Feighan (10), D. Thigpen & Associates, Inc. - Michael & Deborah Waller (8)	OHIO	$204,347
		$5,000	Ironworkers Political Action League PAC - Mickey Brennan	BODC	$5,000
		$15,000	America's Community Bankers - Paul Schosberg	BCDC	$15,000
		$25,000	Ernst & Young - Jeff Hirschberg	1JEW	$25,000
		$4,000	American Pharmaceutical Assn. - William Hermann	BCDC	$4,000
		$1,609,832	Total Additions for June 19, 1996		$1,609,832
		$6,910,368	Grand Total for June, 1996		

Confidential Information

EXHIBIT
DM-45

DNC 1781613

(5) DONE

DNC FINANCE CALL SHEET

FOR: Vice President Gore

CALL SHEET PREPARED BY: Richard Sullivan/ Ari Swiller

DATE: December 1, 1995

NAME: Peter May

TITLE: President, COO

COMPANY: Triarc Companies, Inc.

ADDRESS: 900 Third Avenue
31st Floor
New York, NY 10022

PHONE: w: [redacted], h: [redacted]

ASST NAME:

CONTRIBUTOR HISTORY: Peter contributed $50,000 in October of 1995, $100,000 in September of 1994 and $110,000 in May of 1993.

REASON FOR CALL: Ask Peter to contribute an additional $50,000 to the DNC Media Fund.

ADDITIONAL NOTES:

CALL RESULTS:

12/11 - 9:20 - Done

EOP 049239

EXHIBIT
DM-46

Directed-Donor Checks Received to-Date		10/11/96	
Date Donor	State	Amount	
24-Oct Sony Music Entertainment, Inc.	National Coalition on Black Voter Participation	$10,000	Mercer
23-Oct Atlas Railroad Construction	Vote NOW - '96	$5,000	
23-Oct Joan Ridder Challinor	OHIO	$10,000	
23-Oct Joan Ridder Challinor	NEW JERSEY	$10,000	
23-Oct Labor for America PAC (LAPAC)	WASHINGTON	$1,000	Dunphy
22-Oct Vance Opperman	OHIO	$37,500	Minneapolis Event
22-Oct Vance Opperman	NEW JERSEY	$20,000	Minneapolis Event
22-Oct Vance Opperman	MICHIGAN	$37,500	Minneapolis Event
16-Oct Time Warner, Inc.	National Coalition on Black Voter Participation	$10,000	Mercer
14-Oct UP - PAC	WASHINGTON	$5,000	Thomann/Rosen
14-Oct UP - PAC	OHIO	$5,000	Thomann/Rosen
14-Oct UP - PAC	NEW YORK	$5,000	Thomann/Rosen
14-Oct UP - PAC	MISSOURI	$5,000	Thomann/Rosen
14-Oct UP - PAC	VIRGINIA	$5,000	Thomann/Rosen
14-Oct UP - PAC	WISCONSIN	$5,000	Thomann/Rosen
14-Oct UP - PAC	FLORIDA	$5,000	Thomann/Rosen
14-Oct UP - PAC	MARYLAND	$5,000	Thomann/Rosen
14-Oct UP - PAC	IOWA	$5,000	Thomann/Rosen
14-Oct UP - PAC	OREGON	$5,000	Thomann/Rosen
14-Oct UP - PAC	CALIFORNIA	$5,000	Thomann/Rosen
11-Oct MCI Telecommications Corp.	FLORIDA	$25,000	Sullivan
11-Oct Frank and Geryl Pearl	WYOMING	$6,000	Braziel
11-Oct Frank and Geryl Pearl	MICHIGAN	$6,000	Braziel
11-Oct Frank and Geryl Pearl	NEW JERSEY	$6,000	Braziel
11-Oct Frank and Geryl Pearl	COLORADO	$6,000	Braziel
11-Oct Frank and Geryl Pearl	OHIO	$6,000	Braziel
8-Oct CSX Corporation	FLORIDA	$10,000	
8-Oct CSX Corporation	LOUISIANA	$5,000	
30-Sep Archer Daniels Midland Co.	ILLINOIS	$15,000	Braziel
30-Sep Archer Daniels Midland Co.	CALIFORNIA	$15,000	Braziel
30-Sep Archer Daniels Midland Co.	ARKANSAS	$10,000	Braziel
25-Sep Sen Jong Hsui	CALIFORNIA	$30,000	Huang
25-Sep Sen Jong Hsui	FLORIDA	$30,000	Huang
25-Sep Sen Jong Hsui	ILLINOIS	$30,000	Huang
25-Sep Sen Jong Hsui	MICHIGAN	$20,000	Huang
13-Sep Alliance Gaming Corporation	ARKANSAS	$1,000	Wakem
13-Sep Alliance Gaming Corporation	CALIFORNIA	$1,000	Wakem
13-Sep Alliance Gaming Corporation	COLORADO	$1,000	Wakem
13-Sep Alliance Gaming Corporation	FLORIDA	$1,000	Wakem
13-Sep Alliance Gaming Corporation	GEORGIA	$1,000	Wakem
13-Sep Alliance Gaming Corporation	ILLINOIS	$1,000	Wakem
13-Sep Alliance Gaming Corporation	KANSAS	$1,000	Wakem
13-Sep Alliance Gaming Corporation	MISSOURI	$1,000	Wakem
12-Sep Mirage Resorts, Incorporated	FLORIDA		liffe

EXHIBIT
DM-47

F 0046580

12-Sep	Mirage Resorts, Incorporated	CALIFORNIA	$100,000	McAuliffe
12-Sep	Mirage Resorts, Incorporated	ILLINOIS	$50,000	McAuliffe
12-Sep	Mirage Resorts, Incorporated	MISSOURI	$25,000	McAuliffe
12-Sep	Mirage Resorts, Incorporated	GEORGIA	$25,000	McAuliffe
12-Sep	Machinist's Non-Partisan Political League	WISCONSIN	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	PENNSYLVANIA	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	OKLAHOMA	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	OHIO	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	NEW JERSEY	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	MICHIGAN	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	MARYLAND	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	KANSAS	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	IOWA	$5,000	Dunphy
12-Sep	Machinist's Non-Partisan Political League	CONNECTICUT	$5,000	Dunphy
12-Sep	NRLCA Political Action Committee	MISSOURI	$5,000	Dunphy
12-Sep	NRLCA Political Action Committee	TENNESSE	$5,000	Dunphy
12-Sep	NRLCA Political Action Committee	WASHINGTON	$5,000	Dunphy
12-Sep	NRLCA Political Action Committee	OHIO	$2,000	Dunphy
12-Sep	NRLCA Political Action Committee	RHODE ISLAND	$2,000	Dunphy
12-Sep	NRLCA Political Action Committee	WEST VIRGINIA	$2,000	Dunphy
12-Sep	NRLCA Political Action Committee	NEW JERSEY	$2,000	Dunphy
12-Sep	NRLCA Political Action Committee	NEW MEXICO	$2,000	Dunphy
31-Aug	American Federation of Teachers	ARKANSAS	$5,000	Dunphy
31-Aug	American Federation of Teachers	ARIZONA	$5,000	Dunphy
31-Aug	American Federation of Teachers	CALIFORNIA	$5,000	Dunphy
31-Aug	American Federation of Teachers	COLORADO	$5,000	Dunphy
31-Aug	American Federation of Teachers	DELAWARE	$5,000	Dunphy
31-Aug	American Federation of Teachers	FLORIDA	$5,000	Dunphy
31-Aug	American Federation of Teachers	GEORGIA	$5,000	Dunphy
31-Aug	American Federation of Teachers	HAWAII	$5,000	Dunphy
31-Aug	American Federation of Teachers	ILLINOIS	$5,000	Dunphy
31-Aug	American Federation of Teachers	IOWA	$5,000	Dunphy
31-Aug	American Federation of Teachers	LOUISIANA	$5,000	Dunphy
31-Aug	American Federation of Teachers	MAINE	$5,000	Dunphy
31-Aug	American Federation of Teachers	MARYLAND	$5,000	Dunphy
31-Aug	American Federation of Teachers	MASSACHUSETTS	$5,000	Dunphy
31-Aug	American Federation of Teachers	MINNESOTA	$5,000	Dunphy
31-Aug	American Federation of Teachers	MISSOURI	$5,000	Dunphy
31-Aug	American Federation of Teachers	MONTANA	$5,000	Dunphy
31-Aug	American Federation of Teachers	NEW JERSEY	$25,000	Dunphy
31-Aug	American Federation of Teachers	NEW MEXICO	$5,000	Dunphy
31-Aug	American Federation of Teachers	NEVADA	$5,000	Dunphy
31-Aug	American Federation of Teachers	NEW YORK	$5,000	Dunphy
31-Aug	American Federation of Teachers	NORTH CAROLINA	$5,000	Dunphy
31-Aug	American Federation of Teachers	OREGON	$5,000	Dunphy
31-Aug	American Federation of Teachers	RHODE ISLAND	$10,000	Dunphy
31-Aug	American Federation of Teachers	TENNESSEE	$5,000	Dunphy
31-Aug	American Federation of Teachers	VERMONT	$5,000	Dunphy
31-Aug	American Federation of Teachers	VIRGINIA	$5,000	Dunphy
31-Aug	American Federation of Teachers	WASHINGTON	$5,000	Dunphy
31-Aug	American Federation of Teachers	WEST VIRGINIA	$5,000	Dunphy

31-Aug	American Federation of Teachers	WISCONSIN	$5,000 Dunphy
23-Aug	Laborers' Political League	PENNSYLVANIA	$5,000 Arthur Coia
23-Aug	MCI Telecommunications	FLORIDA	$25,000 Larry Harris
23-Aug	United Mine Workers of America	COLORADO	$1,000
23-Aug	Laborers' Political League	MICHIGAN	$5,000 Arthur Coia
23-Aug	Laborers' Political League	OHIO	$5,000 Arthur Coia
23-Aug	IBEW-COPE	NEW JERSEY	$5,000 Dunphy
23-Aug	IBEW-COPE	COLORADO	$2,500 Dunphy
23-Aug	IBEW-COPE	MICHIGAN	$5,000 Dunphy
23-Aug	IBEW-COPE	FLORIDA	$5,000 Dunphy
23-Aug	IBEW-COPE	PENNSYLVANIA	$5,000 Dunphy
23-Aug	IBEW-COPE	VIRGINIA	$2,500 Dunphy
23-Aug	IBEW-COPE	RHODE ISLAND	$2,500 Dunphy
23-Aug	United Mine Workers of America	OHIO	$4,000 Dunphy
23-Aug	United Mine Workers of America	MICHIGAN	$5,000 Dunphy
23-Aug	ALPA-PAC	MICHIGAN	$5,000 Dunphy
23-Aug	ALPA-PAC	NEW JERSEY	$5,000 Dunphy
23-Aug	ALPA-PAC	COLORADO	$5,000 Dunphy
23-Aug	ALPA-PAC	CONNECTICUT	$5,000 Dunphy
23-Aug	ALPA-PAC	PENNSYLVANIA	$5,000 Dunphy
8/23/96	C.J. Giroir, Jr.	CALIFORNIA	$25,000 Huang
8/21/96	American Federation of Teachers	PENNSYLVANIA	$5,000 Dunphy
8/21/96	American Federation of Teachers	OHIO	$5,000 Dunphy
8/21/96	American Federation of Teachers	NEW JERSEY	$5,000 Dunphy
8/21/96	American Federation of Teachers	MICHIGAN	$5,000 Dunphy
8/21/96	American Federation of Teachers	CONNECTICUT	$5,000 Dunphy
8/21/96	United Mine Workers of America	PENNSYLVANIA	$5,000 Dunphy
8/21/96	United Mine Workers of America	NEW JERSEY	$5,000 Dunphy
8/21/96	MCI Telecommunications Corp.	NEW YORK	$37,000 Larry Harris
8/21/96	MCI Telecommunications Corp.	CALIFORNIA	$50,000 Larry Harris
8/16/96	C.J. Giroir, Jr.	FLORIDA	$25,000 Huang
8/9/96	C.J. Giroir, Jr.	ILLINOIS	$25,000 Huang
8/5/96	Murray and Murray	NEW YORK	$25,000
8/2/96	C.J. Giroir, Jr.	MICHIGAN	$25,000 Huang
8/2/96	MCI Telecommunications	NEW YORK	$38,000
7/9/96	Paul T. Jones, II	PENNSYLVANIA	$50,000 McAuliffe
7/9/96	Paul T. Jones, II	TENNESSEE	$50,000 McAuliffe
7/9/96	Paul T. Jones, II	WASHINGTON	$50,000 McAuliffe
7/8/96	Pauline Kanchanalak	PENNSYLVANIA	$25,000 John Huang Coffee
7/8/96	Pauline Kanchanalak	ILLINOIS	$25,000 John Huang Coffee
6/29/96	Pauline Kanchanalak	OHIO	$33,000 John Huang Coffee
6/29/96	Pauline Kanchanalak	CALIFORNIA	$24,500 John Huang Coffee
6/29/96	Pauline Kanchanalak	FLORIDA	$35,000 John Huang Coffee
6/28/96	NRLCA PAC	CALIFORNIA	$3,000 D.C. Gala - Braziel
6/28/96	NRLCA PAC	OHIO	$3,000 D.C. Gala - Braziel
6/28/96	NRLCA PAC	MARYLAND	$3,000 D.C. Gala - Braziel
6/28/96	NRLCA PAC	MASSACHUSETTS	$3,000 D.C. Gala - Braziel
6/28/96	NRLCA PAC	ARKANSAS	$3,000 D.C. Gala - Braziel
6/28/96	NRLCA PAC	WESTVIRGINIA	$3,000 D.C. Gala - Braziel

6/28/96 NRLCA PAC	FLORIDA	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	NEW JERSEY	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	ILLINOIS	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	RHODE ISLAND	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	GEORGIA	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	NEW MEXICO	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	OREGON	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	MAINE	$3,000 D.C. Gala - Braziel
6/28/96 NRLCA PAC	LOUISIANA	$3,000 D.C. Gala - Braziel
6/26/96 Duangnet G. Kronenberg	PENNSYLVANIA	$25,000 John Huang Coffee
6/26/96 Duangnet G. Kronenberg	CALIFORNIA	$30,000 John Huang Coffee
6/26/96 Duangnet G. Kronenberg	FLORIDA	$25,000 John Huang Coffee
6/26/96 Duangnet G. Kronenberg	OHIO	$20,000 John Huang Coffee
6/26/96 Duangnet G. Kronenberg	ILLINOIS	$30,000 John Huang Coffee
6/26/96 International Brotherhood of Teamsters	ILLINOIS	$25,000 McAuliffe
6/26/96 International Brotherhood of Teamsters	CALIFORNIA	$25,000 McAuliffe
6/26/96 Drive Political Fund	NEW MEXICO	$5,000 McAuliffe
6/26/96 Drive Political Fund	NORTH CAROLINA	$4,000 McAuliffe
6/26/96 Drive Political Fund	NEVADA	$5,000 McAuliffe
6/26/96 Drive Political Fund	OHIO	$5,000 McAuliffe
6/26/96 Drive Political Fund	PENNSYLVANIA	$5,000 McAuliffe
6/26/96 Drive Political Fund	RHODE ISLAND	$5,000 McAuliffe
6/26/96 Drive Political Fund	TENNESSEE	$5,000 McAuliffe
6/26/96 Drive Political Fund	TEXAS	$5,000 McAuliffe
6/26/96 Drive Political Fund	VIRGINIA	$5,000 McAuliffe
6/26/96 Drive Political Fund	WEST VIRGINIA	$5,000 McAuliffe
6/26/96 Drive Political Fund	WASHINGTON	$5,000 McAuliffe
6/26/96 Drive Political Fund	MASSACHUSETTS	$5,000 McAuliffe
6/26/96 Drive Political Fund	MARYLAND	$5,000 McAuliffe
6/26/96 Drive Political Fund	MAINE	$5,000 McAuliffe
6/26/96 Drive Political Fund	MICHIGAN	$5,000 McAuliffe
6/26/96 Drive Political Fund	MISSOURI	$5,000 McAuliffe
6/26/96 Drive Political Fund	MONTANA	$5,000 McAuliffe
6/26/96 Drive Political Fund	NEW JERSEY	$5,000 McAuliffe
6/26/96 Drive Political Fund	NEW YORK	$5,000 McAuliffe
6/26/96 Drive Political Fund	NEW HAMPSHIRE	$5,000 McAuliffe
6/26/96 Drive Political Fund	ARKANSAS	$5,000 McAuliffe
6/26/96 Drive Political Fund	ARIZONA	$5,000 McAuliffe
6/26/96 Drive Political Fund	CALIFORNIA	$5,000 McAuliffe
6/26/96 Drive Political Fund	COLORADO	$5,000 McAuliffe
6/26/96 Drive Political Fund	CONNECTICUT	$5,000 McAuliffe
6/26/96 Drive Political Fund	DELAWARE	$5,000 McAuliffe
6/26/96 Drive Political Fund	FLORIDA	$5,000 McAuliffe
6/26/96 Drive Political Fund	GEORGIA	$5,000 McAuliffe
6/26/96 Drive Political Fund	HAWAII	$5,000 McAuliffe
6/26/96 Drive Political Fund	IOWA	$5,000 McAuliffe
6/26/96 Drive Political Fund	ILLINOIS	$5,000 McAuliffe
6/26/96 Drive Political Fund	KENTUCKY	$2,500 McAuliffe
6/26/96 Drive Political Fund	LOUISIANA	$5,000 McAuliffe

6/25/96 Nikos Kefalidis	CALIFORNIA	$50,000	
6/25/96 Nikos Kefalidis	OHIO	$50,000	
6/25/96 Nikos Kefalidis	MISSOURI	$50,000	
6/25/96 Nikos Kefalidis	MICHIGAN	$50,000	
6/25/96 Nikos Kefalidis	TENNESSEE	$50,000	
6/21/96 J. Richard Fredericks	FLORIDA	$50,000	McAuliffe
6/21/96 J. Richard Fredericks	PENNSYVANIA	$50,000	McAuliffe
6/21/96 J. Richard Fredericks	ILLINOIS	$50,000	McAuliffe
6/19/96 Frank H. and Geryl T. Pearl	OHIO	$12,500	
6/19/96 Frank H. and Geryl T. Pearl	MICHIGAN	$12,500	
6/14/96 Betty S. Burton	MICHIGAN	$125	
6/12/96 R.J. Reynolds - Jim Free	D.L.C.C.	$10,000	
6/12/96 R.J. Reynolds - Jim Free	NEVADA	$10,000	
6/12/96 R.J. Reynolds - Jim Free	NEW JERSEY	$10,000	
6/12/96 R.J. Reynolds - Jim Free	COLORADO	$10,000	
6/12/96 R.J. Reynolds - Jim Free	CALIFORNIA	$10,000	
6/6/96 Robert H. Smith	TENNESSEE	$10,000	
6/6/96 Robert H. Smith	KENTUCKY	$10,000	
6/6/96 Robert H. Smith	WISCONSIN	$10,000	
6/4/96 Gladys G. Cofrin	PENNSYLVANIA	$10,000	
6/4/96 Gladys G. Cofrin	IOWA	$10,000	
5/29/96 C.J. Giroir, Jr.	MICHIGAN	$25,000	
5/29/96 C.J. Giroir, Jr.	OHIO	$25,000	
5/29/96 C.J. Giroir, Jr.	PENNSYLVANIA	$25,000	
5/29/96 Vance K. Opperman	CALIFORNIA	$25,000	
5/15/96 David H. Cofrin	PENNSYLVANIA	$25,000	
5/15/96 David H. Cofrin	IOWA	$25,000	
5/15/96 Union Pacific	CALIFORNIA	$15,000	
5/15/96 Union Pacific	VIRGINIA	$15,000	
5/15/96 Union Pacific	ARKANSAS	$15,000	
5/15/96 Union Pacific	ILLINOIS	$15,000	
5/15/96 Union Pacific	COLORADO	$15,000	
5/13/96 Mary Ann P. Cofrin	IOWA	$10,000	
5/13/96 Mary Ann P. Cofrin	PENNSYLVANIA	$10,000	
5/13/96 Mary Ann P. Cofrin	MICHIGAN	$10,000	
5/13/96 Mary Ann P. Cofrin	OHIO	$10,000	
5/10/96 Williamson Oil Co., Inc.	ILLINOIS	$10,000	
5/10/96 Williamson Oil Co., Inc.	LOUISIANA	$10,000	
5/10/96 Williamson Oil Co., Inc.	FLORIDA	$10,000	
5/10/96 Williamson Oil Co., Inc.	ALABAMA	$10,000	
5/10/96 Williamson Oil Co., Inc.	CALIFORNIA	$10,000	
5/10/96 Building Finance Co. of TN, Inc.	NEBRASKA	$20,000	
5/10/96 Building Finance Co. of TN, Inc.	FLORIDA	$20,000	
5/10/96 Building Finance Co. of TN, Inc.	COLORADO	$20,000	
5/10/96 Building Finance Co. of TN, Inc.	CALIFORNIA	$20,000	
5/10/96 Building Finance Co. of TN, Inc.	ARKANSAS	$50,000	
5/10/96 Sault Ste. Marie Tribe of Chippewa Indians	NEW YORK	$40,000	
5/10/96 Sault Ste. Marie Tribe of Chippewa Indians	ILLINOIS	$60,000	

5/10/96	Sault Ste. Marie Tribe of Chippewa Indians	MAINE	$30,000	
5/10/96	Sault Ste. Marie Tribe of Chippewa Indians	MISSOURI	$16,000	
5/10/96	Sault Ste. Marie Tribe of Chippewa Indians	MARYLAND	$4,000	
5/7/96	Philip Morris Management Corp.	NEW MEXICO	$10,000	
5/7/96	Philip Morris Management Corp.	DELAWARE	$5,000	
5/7/96	Philip Morris Management Corp.	MISSOURI	$60,000	
5/7/96	Philip Morris Management Corp.	NEVADA	$25,000	
5/5/96	James G. Pepper	NEW YORK	$5,000	
5/5/96	James G. Pepper	MASSACHUSETTS	$5,000	
5/5/96	Jeffrey B. Soref	MASSACHUSETTS	$5,000	
5/5/96	Henry van Ameringen	NEW YORK	$5,000	
5/5/96	Henry van Ameringen	MASSACHUSETTS	$5,000	
4/30/96	Robert H. Smith	OHIO	$10,000	Media
4/30/96	Robert H. Smith	MICHIGAN	$10,000	Media
4/30/96	Vance K. Opperman	CONNECTICUT	$5,000	
4/30/96	Vance K. Opperman	NEW JERSEY	$25,000	
4/30/96	Vance K. Opperman	MARYLAND	$4,000	
4/30/96	Vance K. Opperman	WASHINGTON	$11,000	
4/30/96	Vance K. Opperman	NEW YORK	$69,000	
4/30/96	Vance K. Opperman	RHODE ISLAND	$11,000	
4/24/96	C. Marshall Freiedman	MISSOURI	$3,500	Coordinated
4/8/96	David H. Cofrin	MICHIGAN	$25,000	Media
4/8/96	David H. Cofrin	KENTUCKY	$25,000	Media
4/8/96	David H. Cofrin	OHIO	$25,000	Media
4/8/96	David H. Cofrin	WISCONSIN	$25,000	Media
4/8/96	Gladys Cofrin	OHIO	$20,000	Media
4/8/96	Gladys Cofrin	KENTUCKY	$10,000	Media
4/8/96	Gladys Cofrin	WISCONSIN	$10,000	Media
4/8/96	Gladys Cofrin	MICHIGAN	$10,000	Media
3/29/96	Pamela Liapakis	OHIO	$70,000	Media
3/29/96	Pamela Liapakis	TENNESSEE	$30,000	Media
3/29/96	Pamela Liapakis	MICHIGAN	$50,000	Media
3/26/96	Carl H. Lindner	MICHIGAN	$15,000	Media
3/25/96	Carl H. Lindner	TENNESSEE	$10,000	Media
3/8/96	Jerry M. Hultin	NEW YORK	$5,000	Coordinated
3/8/96	Carl H. Lindner	NORTH CAROLINA	$10,000	Media
3/8/96	Carl H. Lindner	CONNECTICUT	$5,000	Media
3/8/96	Carl H. Lindner	PENNSYLVANIA	$10,000	Media
3/8/96	Carl H. Lindner	MINNESOTA	$10,000	Media
3/8/96	Carl H. Lindner	IOWA	$10,000	Media
2/26/96	Landmark Ins.-Amer.Internat'l Underwriters	ARKANSAS	$10,000	Media
2/26/96	Birmingham Fire Insurance Co. of Penn.-American Int'l Underwriters	ILLINOIS	$10,000	Media
	Jim Moriarty	TEXAS	$25,000	(Truman Arnold Event)
	Herman Proler	TEXAS	$25,000	(Truman Arnold Event)
	Jim Mcingvale	TEXAS	$20,000	(Truman Arnold Event)
	Lee Godfrey	TEXAS	$25,000	(Truman Arnold Event)
	Martha Landsman	TEXAS	$25,000	(Truman Arnold Event)

John Eaves	MISSISSIPPI	$50,000	(Truman Arnold Event)
John Eaves	TEXAS	$30,000	(Truman Arnold Event)
Mark Dayton	NEW JERSEY	$10,000	Coordinated
Mark Dayton	NEW YORK	$10,000	Coordinated
J. Jeffrey Brausch	RHODE ISLAND	$5,000	Coordinated
John Eaves	TENNESSEE	$10,000	Media
John Eaves	ARKANSAS	$10,000	Media
		$458,000	
		$4,024,125	Total
cc:Brad Marshall			
Richard Sullivan			
Debbie Wilhite			

Call Sheet

Fritz		Regarding meeting. Talk to me	
Laura Haritgan		returning your call.	
Wayne Carter	10:30		[redacted]
Eric Eve			[redacted]
Joan Cardin		Saks Fith in Chicago. Calling to check in. Find out status on them sponsoring event	[redacted] Ext. [redacted]
Jun Jin		Calling on behalf of Candice Avery from Project Vote	[redacted]
Sean		Participation 2000. Wants to talk to you about the check (he did not pick it up because he wanted to make sure it was federal), the NJ training and some other things.	
Valerie Kennedy		Will call back. She is in NC	
Jennifer Casse		Needs a list of 10-12 high donors who are sympathetic to women's issue.	
6/5			
Griffin Schultz			[redacted]
Gary Belz		Urgent	[redacted]
Antonio Pan		Please ignore Charlie's request for White House tour.	
Lauren Supina	11:49	She will be in the office until 4:00pm	[redacted]

EXHIBIT
DM-48

MEMORANDUM

DATE: APRIL 24, 1995

TO: STEVE BOYD

FROM: ARI SWILLER
NANCY BURKE

RE: CHINESE-AMERICAN TRUSTEES

Our current Chinese-American Trustees are:

Mr. Johnny Chung (Managing Trustee)
Automated Intelligent Systems, Inc.
2771 Plaza Del Amo
Suite 809
Torrance, CA 90503
Office: [redacted]
Fax: [redacted]

Mr. Charlie Trie (Managing Trustee)
Mrs. Wang Mei Trie
President
Daihatsu International Trading, Inc.
523 Louisiana Street
Suite LL150
Little Rock, AR 72201
Office: [redacted]
Fax: [redacted]
Home: [redacted]

Dr. C.J. Wang (Managing Trustee)
Dr. Mildred Wang
Chairman
International Corporation of America
1300 Army-Navy Drive
Apartment 408
Arlington, VA 22202
Office: [redacted]
Fax: [redacted]
Home: [redacted]

EXHIBIT
DM-49

Confidential Information

DNC 1781772

THE NOVEMBER GROUP, INC.

TO: Bill Hamilton

FAX #: 624-8973

FROM: Martin Davis

DATE: 8-11-96

NO. OF PAGES: 4 (including cover)

MESSAGE:

Bill -

I'm forwarding this to you from Richard Sullivan. I'll let you know when they have fulfilled their commitment.

EXHIBIT
DM-50

1400 I STREET, NW • SUITE 650 • WASHINGTON, DC 20005 • 202/682-9500 • FAX: 202/682-1900

MEMORANDUM

TO: Martin Davis

FROM: Richard Sullivan

DATE: August 10, 1996

SUBJECT: State Party Federal and Non-Federal Contributions

We would like contributions of $3,000.00 from the Drive Political Fund to be made payable to each of the following state parties.

ALABAMA
ALASKA
IDAHO
INDIANA
KANSAS
MINNESOTA
MISSISSIPPI
NEBRASKA
NORTH DAKOTA
OKLAHOMA
OREGON
SOUTH CAROLINA
SOUTH DAKOTA
UTAH
VERMONT
WISCONSIN
WYOMING

Memo from Richard Sullivan
Page 2

We would like the remaining non-federal contribution checks to be made payable to the following state parties for the designated amounts:

STATE	AMOUNT	CHECK PAYABLE TO
CALIFORNIA	$277,600	California Democratic Party
COLORADO	$25,000	Democratic Party Coordinated Campaign Non Federal
LOUISIANA	$50,000	Louisiana Democratic Party
VERMONT	$10,000	Vermont Democratic Party/Vermont Vote 96 State
WASHINGTON	$50,000	Washington State Democratic Central Committee 96 Fund State Exempt
TENNESSEE	$35,000	Tennessee Democratic Victory 96 State
NEW MEXICO	$35,000	Democratic Party of New Mexico, Coordinated Campaign Non Federal
NEVADA	$15,000	GOTV
MAINE	$10,000	Maine Democratic State Committee Victory 96 Non Federal
KENTUCKY	$2,500	Kentucky Democratic Party Victory 96
NEW YORK	$69,900	New York State Democratic Coordinated Campaign Non Federal
NEW JERSEY	$25,000	Campaign 96 Non Federal
MASSACHUSETTS	$15,000	Massachusetts Democratic State Committee Campaign Account
HAWAII	$10,000	Democratic Party of Hawaii Coordinated Campaign Non Federal
DELAWARE	$20,000	Victory Fund 96 Non Federal
MARYLAND	$25,000	Maryland Democratic Party Campaign 96 Administrative Account
ILLINOIS	$100,000	United Democrats of Illinois
WISCONSIN	$50,000	Democratic Party of Wisconsin State
FLORIDA	$50,000	Florida Democratic Party
GEORGIA	$20,000	Georgia Victory 96 State
MINNESOTA	$10,000	United Democratic Fund/State
RHODE ISLAND	$10,000	Rhode Island Coordinated Campaign Non Federal

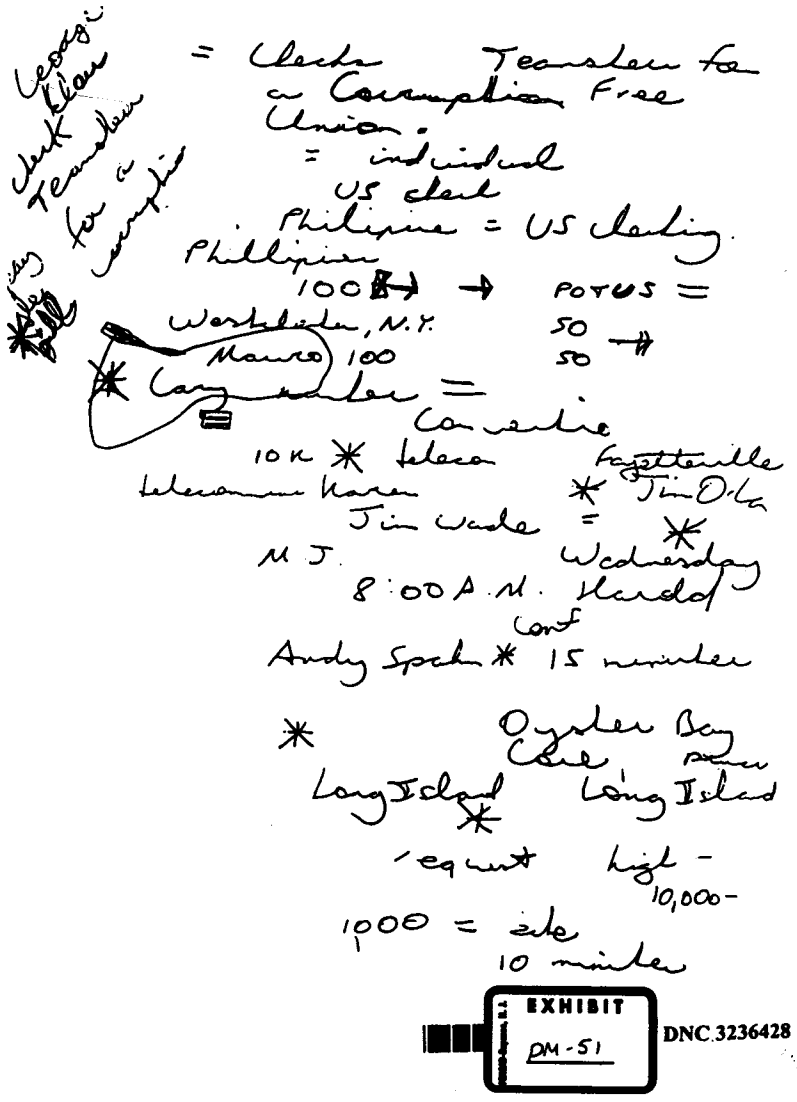
Leonard Klaus
Clerk Teamsters for a corruption

= Clerks Teamsters for a Corruption Free Union.
= individual
US clerk
Philipine = US clerking.
Phillipine
100 → POTUS =
Westchester, N.Y. 50
Mauro 100 50 →
* Carry number =
Convention
10K * telecon Fayetteville
telecommunications * Jim O'La
Jim Wade = *
M.J. Wednesday
8:00 A.M. Harold
Conf
Andy Spahn * 15 minutes

* Oyster Bay
Core
Long Island * Long Island
request high -
10,000 -
1000 = site
10 minutes

EXHIBIT
DM-51

DNC 3236428



CONFIDENTIAL MEMORANDUM FOR HAROLD ICKES

CC: Chairman Fowler
Chairman Dodd

From: Bobby Watson

Subject: Your Two Memoranda Dated April 26th Concerning Bills

Attached are copies of checks covering all items you raised in your two memoranda of April 26th with the exception of a payment to Penn & Schoen Associates, Inc., of $32,579.38 for an April survey. We were not made aware of this charge until last evening (April 26th) when we received your memorandum and we still do not have an invoice for this in our possession. Some of these copies of checks are duplicates of ones I had delivered to your office on the morning of April 26th. We mistakenly included the $5,000 expense check in one of Penn & Schoen's other checks. In addition to matters related to Penn & Schoen, there are copies of checks to Prime List and Mailings, Steve Sposato and Mark Klaas. It is my understanding the Sposit and Klaas checks were forwarded to Rahm Emanuel in the last couple of days.

It is our policy to pay bills within 90 days if at all possible. Until our April 8th Los Angeles fundraiser and other finance events around this same period, our cash flow has been extremely limited. In the first three months of 1995, we had to pay $1,000,000 in loan payments, approximately $1,000,000 in stale bills from 1994 and $1,500,000 in operating expenses to pay our staff and keep the DNC in operation.

As we have been receiving checks in the last few weeks from our April LA event, I have instructed our Accounting Division to catch up on as many backdue bills as possible. All Penn & Schoen, Prime List and Mailing, Sposato and Klaas bills were paid within 90 days of our receipt.

Our DNC Legal Counsel, Joe Sandler, has raised the following questions about the DNC's relationship with Penn & Schoen that I thought I should share with you.

1. All invoices should be addressed to the DNC, not elsewhere. All copies we have to date have been addressed to either no one, yourself or in the case of Prime Mailing, to Nancy Hernreich. I informed your office of this last week.

2. The DNC should get a copy of the poll results.

3. The DNC should preview poll questions in advance to determine which are

EXHIBIT
DM-52

DNC 3168075

applicable to the Re-Elect, and have the Re-Elect pay that portion. Joe said this is consistent with conversations that Lyun Utrecht and he have had with you.

4. Penn and Schoen should have contracts with both the DNC and the Re-Elect to insure compliance with FEC rules.

5. The DNC requires all employees and consultants to submit receipts for reimbursement for expenses and the $5,000 "expense" payment to Penn & Schoen without documentation raises a similar question to item #3 concerning this being a DNC or Re-Elect expenditure, not to mention it being contrary to DNC policy.

Finally, regarding the computer equipment for the White House. I asked if we could get by with a lesser number of printers and I was told no, due to the various locations of the users. I then received a call from your office telling me that the Re-elect should pay this cost, not the DNC. This is the full extent of my knowledge of this matter.

Please let me know if I can provide additional information.

218280
PL005-02

EXECUTIVE OFFICE OF THE PRESIDENT

14-May-1996 07:10pm

COPY from ORM

TO: Michael McCurry
TO: Lorraine McHugh
TO: Laura Capps
TO: Douglas B. Sosnik

FROM: Stuart Schear
Office of Media Affairs

SUBJECT: HEADS UP: FOX NEWS REPORT

May 14, 1996

Memorandum to McCurry, McHugh, Stephanopoulos, Sosnik
From :Schear
Subject :Fox News Expose on DNC & RNC Fundraising

Heads up: Sheila Kaplan, a producer for the political unit of FOX NEWS, has produced a video expose on campaign financing which will air this coming Sunday, May 19. It promises to make news, and we should be prepared to respond. I spoke with Joe Lockhart, and he is aware of the nature of the report.

THE REPORT:

FOX recruited Mike Lewis, a real businessman from California, to come to Washington to meet with DNC and RNC fundraisers in separate lunch meetings. Using a hidden camera, FOX recorded conversations in which the DNC fundraiser, David Mercer, stated clearly that campaign contributions will guarantee access to White House staff and elected Democratic officials.

Kaplan read to me from a transcript of Mercer's remarks. He made the following points:

The DNC Donor program offers different levels of access depending on the size of donations, but the DNC no longer prints these lists because this practice caused problems in the past

Lewis asked Mercer: How much would it cost to sit next to Stephanopoulos at a dinner? Mercer responded : "$100,000." Mercer also ticked off prices for state dinner invitations, etc.

EXHIBIT
DM-53

EOP 030601

Mercer also told Lewis that if they attended Congressional fundraisers together that Democratic members of Congress would understand that they should take Lewis seriously.

RESPONSE:
Joe Lockhart is working with the DNC to respond to FOX's request for a DNC comment. Lockhart will update us on their efforts. The weekend duty officer at the White House should be prepped to respond to questions prompted by the FOX report.

[The deposition of Betty Jane Thornberry follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: BETTY JANE THORNBERRY

TUESDAY, JULY 22, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 10:00 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: James C. Wilson, Senior Investigative Counsel; Uttam Dhillon, Senior Investigative Counsel; Miki White, Investigative Counsel; Jennifer Safavian, Investigative Counsel; Greg Zeller, Professional Staff; David Bossie, Professional Staff; William Moschella, Parliamentarian; Maria Wirsinich, Intern; Kenneth Ballen, Minority Chief Investigative Counsel; Christopher Lu, Minority Counsel; and Michael J. Yaeger, Minority Counsel.

For BETTY JANE THORNBERRY:

STANLEY BRAND, ESQ.
Brand, Lowell and Ryan
923 15th Street, N.W.
Washington, D.C. 20005

THEREUPON, BETTY JANE THORNBERRY, a witness, was called for examination by counsel, and after having been first duly sworn, was examined and testified as follows:

Mr. WILSON. Good morning. On behalf of the members of the Government Reform and Oversight Committee, I appreciate and thank you very much for taking the time to be with us here today. This proceeding is known as a deposition. The person transcribing this proceeding is a House reporter and notary public, and you have already been placed under oath; is that correct?

The WITNESS. That is correct.

Mr. WILSON. I would like to note for the record those who are present at the meeting of this deposition. I am Jim Wilson, the designated Majority counsel for the committee. I am accompanied today by Miki White and Jennifer Safavian, both with the Majority staff. Ken Ballen is the designated Minority counsel for the committee, and he is accompanied by Christopher Lu and Michael Yeager.

Ms. Thornberry is accompanied by Stanley Brand.

Although this proceeding is being held in a somewhat informal atmosphere, because you have been placed under oath, your testimony here today has the same force and effect as if you were testifying before the committee or in a court of law.

If I ask you about conversations you have had in the past and you are unable to recall the exact words used in the conversation, you may state that you are unable to recall those exact words and then you may give me the gist or substance of such conversation to the best of your recollection. If you recall only a part of the conversation or only part of an event, please give me your best recollection of those events or parts of conversation that you recall.

If I ask you whether you have any information about a particular subject and you have overheard other persons conversing with each other regarding it or seen correspondence or documentation regarding it, please tell me that you do have such information and indicate the source, either a conversation or documentation or otherwise from which you derived such knowledge.

Before we begin the questioning, I want to give you some background about the investigation and your appearance here. Pursuant to its authority under House rules X and XI of the House of Representatives, the committee is engaged in a wide-ranging review of possible political fund-raising improprieties and possible violations of law.

Pages 2 through 4 of House Report 105–139, a copy of which you have received, summarizes the investigation as of June 19, 1997, and encompasses any new matters which arise directly or indirectly in the course of the investigation. Also, pages 4 through 11 of the report explain the background of the investigation. All questions

related either directly or indirectly to these issues, or questions which have the tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence, are proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167, which passed the full House on June 20, 1997. Committee rule 20, of which you have received a copy, outlines the ground rules for the deposition.

Majority and Minority counsel will ask you questions regarding the subject matter of the investigation. Minority counsel will ask you questions after Majority counsel has finished. After the Minority counsel has completed questioning you, a new round of questioning may begin.

Members of Congress who wish to ask questions will be afforded an immediate opportunity to ask their questions. When they are finished, committee counsel would resume their questioning.

Pursuant to the committee's rules, you are allowed to have an attorney present to advise you of your rights. Any objection raised during the course of the deposition shall be stated for the record. If the witness is instructed not to answer a question or otherwise refuses to answer a question, Majority and Minority counsel will confer to determine whether the objection is proper. If Majority and Minority counsels agree that a question is proper, the witness will be asked to answer the question. If an objection is not withdrawn, the chairman or a member designated by the chairman may decide whether the objection is proper.

The deposition will be held open subject to rescheduling for the purpose of resolving any such disputed issues.

This deposition is considered as taken in executive session of the committee, which means it may not be made public without the consent of the committee pursuant to clause 2(k)(7) of House rule XI. You are asked to abide by the rules of the House and not discuss with anyone, other than your attorney, this deposition and the issues and questions raised during this proceeding.

Finally, no later than 5 days after your testimony is transcribed and you have been notified that your transcript is available, you may submit suggested changes to the chairman. The transcript will be available for your review at the committee office. Committee staff may make any typographical or technical changes requested by you. Substantive changes, modifications, clarifications, or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement of your reasons for each proposed change. A letter requesting substantive changes, modifications, clarifications, or amendments must be signed by you. Any substantive changes, modifications, clarifications, or amendments shall be included as an appendix to the transcript conditioned upon your signing of the transcript.

Do you understand everything we have gone over so far?

The WITNESS. Yes.

Mr. WILSON. Do you have any questions regarding anything we have gone over so far?

The WITNESS. No.

Mr. WILSON. I am prepared to begin some preliminary questions. Do you have any initial comments?

Mr. BALLEN. No, I don't.

Mr. WILSON. I will begin asking you questions concerning the subject matter of this investigation. Do you understand?

The WITNESS. Yes.

Mr. WILSON. If you don't understand a question, please say so and I will repeat it or rephrase it so that you understand the question. Do you understand that you should tell me if you do not understand my questions?

The WITNESS. Yes.

Mr. WILSON. The reporter will be taking down everything we say and will make a written record of the deposition. You are asked to give verbal, audible answers because the reporter cannot record what a nod of the head or another gesture might mean.

Do you understand that your answer should not be uh-huh, or uh-uh, or similar nondescriptive answers?

The WITNESS. Yes.

Mr. WILSON. If you can't hear me, please say so and I will repeat the question or have the court reporter read the question to you. Do you understand?

The WITNESS. Yes.

Mr. WILSON. Please wait until I finish each question before answering, and I will wait until you finish your answer before I ask the next question. Do you understand

that this will help the reporter make a clear record, because she cannot take down what we are both saying at the same time?

The WITNESS. Yes.

Mr. WILSON. Your testimony is being taken under oath as if we were in court and if you answer a question, it will be assumed that you understood the question and the answer is intended to be responsive to it. Do you understand?

The WITNESS. Yes.

Mr. WILSON. Are you here voluntarily, or are you here under subpoena?

The WITNESS. I am here voluntarily.

Mr. WILSON. Do you have any questions about the deposition before we begin the substantive portion of the proceeding?

The WITNESS. No.

EXAMINATION BY MR. WILSON:

Question. Please state your full name and spell it for the record?

Answer. It is Betty Jane Thornberry, T-H-O-R-N-B-E-R-R-Y.

Question. Have you ever been known by any other names?

Answer. B.J., my initials.

Question. What is your date of birth and social security number?

Answer. [Redacted].

Question. And what is your current address?

Answer. [Redacted].

Question. How long have you lived at that address?

Answer. About 16 months.

Question. Did you attend college?

Answer. I did.

Question. And if so, where?

Answer. Metropolitan State College, Denver, Colorado.

Question. When did you graduate?

Answer. 1988.

Question. Do you have any additional degrees? Did you receive a degree?

Answer. I did.

Question. And what degree was that?

Answer. I received a degree in political science.

Question. Do you have any additional postgraduate degrees?

Answer. I do not.

Question. Please briefly describe your employment history after college?

Answer. My first paid employment—well, I was elected to the city council in Craig, Colorado, in 1979, and received a minimal salary, $200 a month.

Prior to that I had done a variety of part-time work with the Aurora Recreation Department. I had done some waitressing.

Subsequent to that, to the city council election, I ran a statewide campaign in 1982 for State Treasurer. Subsequent to that, I became a Deputy State Treasurer for Colorado. After that, I ran the transition for the Governor-elect in November of 1986 until December or January of 1987. After that I became a Deputy Chief of Staff to the then-Governor of Colorado. I served in that position from 1987 until July of 1993.

I was then—I then became the Deputy Assistant Secretary for Land and Minerals Management, United States Department of the Interior. I served in that position for 6 months, and then became a Deputy Chief of Staff at the United States Department of the Interior. I served in that position for 2 years and then became the Executive Director at the Democratic National Committee in March of 1996.

Question. Apart from your—well, have you spoken with anyone other than your counsel about this deposition?

Answer. Just to the staff, since I am the executive director, that I am not going to be here today.

Question. With whom have you spoken specifically?

Answer. Well, my assistant, Andrea Hopewell; my deputy to the executive director, Alison McLaurin; Joe Sandler, general counsel, Democratic National Committee; and Amy Weiss-Tobe, who is the communications director.

Question. Did you review any documents prior to this deposition for the purpose of this deposition?

Answer. I did not.

Question. How did you come to work at the DNC?

Answer. In January of 1996 Katie Whelan, who is the executive director of the Democratic Governors Association, asked if I would be interested in applying for the job of executive director. W-H-E-L-A-N.

Question. Did you receive any recommendations for the position?

Answer. I think some of the democratic Governors called. Other than Governor Romer, I am not sure who did. I was told, but—I was told that some had; I can't give you names.

Question. Did you interview with anybody at the DNC?

Answer. I did.

Question. And who did you interview with?

Answer. I interviewed with Donald Fowler.

Question. And did you interview with anybody else?

Answer. I interviewed with Senator Chris Dodd.

Question. Did you interview with anybody that was not an employee of the DNC?

Answer. I did.

Question. And with whom did you interview?

Answer. I interviewed with Doug Sosnik, political director, White House. S-O-S-N-I-K.

Question. Did you interview with anybody else at the White House prior to accepting—prior to being offered the position at the DNC?

Answer. Harold Ickes.

Question. And when did you interview with Mr. Sosnik?

Answer. I think I interviewed with Mr. Sosnik toward the end of January 1996.

Question. Did you interview with Mr. Sosnik before you interviewed with either Senator Dodd or Mr. Fowler?

Answer. Yes.

Question. Who was the first individual that you interviewed with?

Answer. Mr. Sosnik.

Question. And after you interviewed with Mr. Sosnik, who did you next interview with?

Answer. Harold Ickes.

Question. And after Mr. Ickes, who did you interview with?

Answer. Donald Fowler.

Question. And after Mr. Fowler, who did you next interview with?

Answer. Senator Dodd.

Question. Were you somewhat surprised that you were interviewing with people at the White House prior to interviewing with people at the DNC?

Answer. No.

Question. How long have you worked at the DNC?

Answer. March 1996.

Question. And in a general sense, what are your job responsibilities?

Answer. I am the staff director.

Question. When you joined the DNC, were you briefed about the legal relationship between the DNC and the White House?

Answer. No.

Question. Did you receive any background briefings on separate functions of White House fund-raising and the DNC?

Answer. No.

Question. During your tenure at the DNC, were the functions of the White House, the DNC, and the Clinton-Gore '96 re-elect campaign kept distinct?

Answer. Yes.

Question. And what measures were taken to keep them distinct?

Answer. You need to rephrase your question, narrow it if you can.

Question. Well, I am wondering, were there specific procedures in place to ensure that the separate legal fund-raising distinctions were kept separate from each other between the three entities?

Mr. BALLEN. Counsel, have you established a predicate that the witness was involved in fund-raising, that she would even know about that?

Mr. WILSON. Well, I am just asking her if she does.

The WITNESS. In March of 1996, the only entity fund-raising was the Democratic National Committee.

EXAMINATION BY MR. WILSON:

Question. Do you know whether any staff was shared between the three organizations during your tenure at the DNC?

Answer. You need to tell me, you need to redescribe what you mean by "shared."

Question. I am asking whether there were employees that served either full or part-time in, for example, the White House and who are paid by the DNC?

Answer. There were between six and eight employees that were paid by the DNC who were considered volunteers at the White House.

Question. And similarly, were there any DNC-paid employees who worked with the Clinton-Gore '96 re-lect campaign?

Answer. Worked with or worked for?

Question. Well, worked for, work exclusively or a part-time status at the '96 re-elect?

Answer. Not to my knowledge.

Question. Who do you directly supervise at the DNC?

Answer. I directly supervised everybody but the chairman's staff, the then-Fowler staff, and Senator Dodd's staff, and I did not have a direct supervisory role over the finance department, except for operational matters.

Question. When you first arrived at the DNC, who was or who were your supervisors?

Answer. My direct supervisor was Chairman Fowler. He was the day-to-day chairman.

Question. And was Senator Dodd also considered a supervisor?

Answer. More indirectly. I reported directly on a day-to-day basis to Chairman Fowler.

Question. And currently who is your supervisor?

Answer. I report most directly to Chairman Grossman, because he fills the same capacity as Chairman Fowler, G-R-O-S-S-M-A-N.

Question. Did you during 1996 report to anybody at the White House on a regular basis?

Answer. I talked to people at the White House.

Question. Did you regularly prepare memoranda or any type of updated documents for people at the White House?

Answer. I may have.

Question. Can you recollect any specific examples of types of memoranda that you would have prepared for the White House?

Answer. I don't do a lot of memorandum. It is simply not my style. I don't produce paper. I produced one memorandum that detailed—rephrase your question. For the White House?

Question. I am just asking whether you recall sending any particular memoranda over to the White House, particular types of memoranda on an ongoing basis, or even specifically, a particular memorandum?

Answer. I don't think I did.

Question. What did you generally contact the White House about?

Answer. Scheduling.

Question. Did White House personnel frequently contact you?

Answer. I need to have a definition of "frequently."

Question. Well, actually, I will be more, I suppose more general. Did White House personnel contact you? Who do you recall contacting you from the White House?

Mr. BRAND. What period are we talking about?

The WITNESS. My primary contact was Karen Hancox, H-A-N-C-O-X.

EXAMINATION BY MR. WILSON:

Question. And who else contacted you from White House staff?

Answer. Much less frequently, but from time to time I talked to Doug Sosnik, and even less frequently I talked to Harold Ickes.

Question. And why did Mr. Sosnik contact you?

Answer. Generally for scheduling or to ask a question, general question.

Question. And when you say "scheduling," what do you mean?

Answer. Well, we did, as you know, weekly meetings at the White House, and we would talk about who was going to attend, what time the meeting was going to be, reconfirm the details of the meeting.

Question. And were there other scheduling subjects that you discussed? I will ask that more specifically.

Did you have any direct role in scheduling, for example, either of the chairman's duties?

Answer. I did not.

Question. So is it your recollection that primarily when you were discussing scheduling matters, it was at weekly meetings at the White House?

Answer. Generally.

Question. How often did you speak with Mr. Ickes?

Answer. Maybe two or three times a month.

Question. And what did you speak with him about?

Answer. He would generally call me as he prepared his weekly memorandum summarizing what had been generally dubbed as the money meetings. He would call me to get specific—to make sure that if he said X, that X was correct.

Question. And when he contacted you with requests for information, would you have staff respond directly to him if he was asking a particular question that you didn't have the knowledge for?

Answer. Generally, I would go to the staff or he would contact that person directly.

Question. And on occasions when you would make inquiries of the staff, would you call him back and provide the information that he requested?

Answer. Yes.

Question. Did he contact you on whether financial information that was submitted in his memoranda was correct?

Answer. Sometimes, yes.

Question. And with whom would you consult on your staff to determine whether financial information was correct?

Answer. Brad Marshall, MA-R-S-H-A-L-L.

Question. And who was Brad Marshall?

Answer. He is the CFO.

Question. And what was or is his responsibility?

Answer. He is the chief financial officer at the Democratic National Committee, and as such, kept an accounting of all receipts and disbursements by the committee.

Question. Would you have conversations with members of his staff on whether financial information requested by Mr. Ickes was correct or incorrect?

Answer. Generally, almost always I went directly to Brad.

Question. Do you know whether Mr. Marshall would sometimes contact Mr. Ickes directly to respond to a request that Mr. Ickes had previously made?

Answer. I'm sure that he did.

Question. What was Senator Dodd's day-to-day involvement with the DNC?

Answer. Senator Dodd really didn't have a day-to-day role at the DNC.

Question. How often would he come into the DNC offices?

Mr. BRAND. I am going to object to that question on the grounds that I don't think this committee can ask questions having to do with a sitting Senator. It has been the precedent for 200 years as far as I am aware that those are questions the other body has to ask.

Mr. WILSON. Well, the scope of our investigation encompasses all fund-raising issues arising at the DNC, and certainly Senator Dodd is a very important part.

Mr. BRAND. It doesn't overrule Jefferson's Manual which says that if you have a question about the conduct of a Member of the other body, you have to refer it to the other body. I am going to instruct her not to answer.

Mr. WILSON. If you would, please, note the objection and prepare an index of the objection for future reference.

EXAMINATION BY MR. WILSON:

Question. What were Mr. Fowler's responsibilities at the DNC?

Answer. He was the day-to-day chairman.

Question. Do you currently have any assistants?

Answer. Do I currently——

Question. Do you currently have any assistants directly under your supervision?

Answer. Do I have assistants?

Question. Yes. In your inner office.

Answer. I have Andrea Hopewell, H-O-P-E-W-E-L-L, acts as my executive assistant. Alison McLaurin, M-C-L-A-U-R-I-N, is deputy to the chief of staff.

Question. Did you hire these individuals?

Answer. I did.

Question. And have these employees been with you since you began working at the DNC?

Answer. No.

Question. Who initially did you have working for you for your inner office staff?

Answer. Gretchen Lerach, L-E-R-A-C-H, was my executive assistant from the time I came to the DNC in March of 1996 until after the election, mid-November 1996. Jake Siewert, S-I-E or E-I-W-E-R-T, was deputy to the chief of staff from April until, April of 1996 to January of 1997. And then for a short time I had a temporary executive assistant from about mid-November 1996 to about the end of January 1997. Her name is Michele Lane, L-A-N-E.

Question. I would like to turn for a moment to training procedures at the DNC. Are training programs, assuming that there are programs, and I would like you to

comment as to whether there are or not, are they set up individually for each department in the DNC?

Answer. We have a staff orientation for new employees.

Question. And what does that consist of?

Answer. To familiarize people with what kind of benefits the DNC offers, what our vacation policy is, what our sick leave policy is, and to generally apprise them of what our operating procedures are at the DNC.

Question. Do all new employees go through the training procedure?

Answer. I wouldn't say all.

Question. Do the majority of new hires go through that training procedure?

Answer. Hopefully.

Question. And you mentioned, and I don't recall precisely what you said at the end of your answer, but aside from the sort of bureaucratic aspect of becoming a new employee at the DNC, that there was some orientation as to how the department, how the DNC actually functioned, what did that consist of?

Answer. This was not about how the DNC functioned; this was a new employee orientation about operational aspects of the DNC.

Question. Are you aware of individual departments having specific training programs?

Answer. The legal department, in conjunction with the finance division, did training for the fund-raisers employed by the finance division.

Question. And what did that consist of?

Answer. A briefing by the general counsel on the legal requirements with regard to fund-raising.

Question. In addition to—was this an oral briefing?

Answer. It was.

Question. Were written materials submitted in conjunction with the briefing?

Answer. I believe a memorandum produced by Joseph Sandler was distributed at the trainings.

Question. And how long did the training take?

Answer. I don't know that.

Question. And you mentioned that Mr. Sandler prepared a memorandum. Was he in charge of the training program?

Answer. He—I'm not sure if in charge is the right description. He prepared the legal guidelines for the staff and did—he and Neil Reiff, the deputy general counsel at the DNC, did the trainings, it is my understanding. R-E-I-F-F.

Question. I am showing the witness a document, which is titled, "Legal Overview for Campaign Staff," and if you would take a moment.

I provided you a very lengthy document and I was asking you, if you would, just to review the first page of this document, or any pages you want, obviously, but I am going to ask you some questions about the first page. This document is pre-Bates marked DNC 1485568.

EXAMINATION BY MR. WILSON:

Question. On the first page of this particular document, it mentions that there are five categories of why it matters to comply with the law, and I was wondering whether there were any discussions or whether you participated in any discussions about the general overview of legal compliance with campaign finance laws?

Answer. Can you restate your question?

Question. Just did you participate in any conversations or discussions about the basics of legal compliance, the subject matter of the first page of this memorandum?

Answer. First of all, I'm not familiar with this document.

Question. Have you seen this document before?

Answer. I am not sure that I have ever seen this document before. This looks like a part of one of our training manuals. This is not the document that I was referring to.

Question. Did you yourself receive training manuals from the finance staff?

Answer. I received copies of the legal guidelines, a memorandum I think that my memory is, it was entitled "Legal guidelines."

Question. And did you participate in any discussions or conversations with other DNC employees on the memoranda that you received pertaining to the legal guidelines, finance legal guidelines?

Answer. As I was being briefed and orienting myself into the DNC, I did sit down with Joe Sandler, myself, and asked him to give me any documents that I could use to study and to make sure that I was familiar with all of the legal guidelines.

Mr. WILSON. I would like to mark this exhibit and submit it for the record, please. It is marked as BJT–1.

[Thornberry Deposition Exhibit No. BJT–1 was marked for identification.]

[Note.—All exhibits referred to may be found at end of the deposition.]

EXAMINATION BY MR. WILSON:

Question. Do you know what the DNC Training Academy is?

Answer. I know generally what the DNC Training Academy is.

Question. What is that?

Answer. We ran five, I believe, in the last cycle. They were a multiday, I think they ran for 5 days, multitrack campaign school training.

Question. And where did they take place?

Answer. They took place across the country.

Question. And who—do you recall where precisely the academies took place?

Answer. I think there was only one done while I was executive director, and it was either in St. Louis or Kansas City. I can't remember. I'm sorry.

Question. Did all new finance employees participate in the training academy?

Answer. No. You're confusing.

Question. Who did participate in the training academy?

Answer. They were activists from across the country.

Question. And who would be—how was it determined who would be invited to the training academy procedures?

Answer. I believe that was done through State parties who, if there was a training that was going to happen in St. Louis, that the surrounding States would be encouraged to publicize the training.

Question. Did the DNC Training Academy events have anything to do with campaign finance issues?

Answer. I did not participate in a training academy.

Question. Was the DNC fund-raising divided into two major parts, not to be mysterious, was a direct mail component and a major donor component to the fund-raising?

Answer. That is correct.

Question. And what is the distinction between these two categories?

Answer. Well, the direct mail was generally aimed at smaller contributions. Generally, $100 and below. I think they may use a $250 benchmark. And those solicitations are all made either via direct mail, some form of a letter, correspondence or through telemarketing.

Question. And the major donor program?

Answer. The major donor program is the finance division at the DNC, and generally a more direct form of solicitation. Finance put on events, fund-raising events. Direct mail would not.

Question. Now, you mentioned that the major donor program was part of the finance division. Is the direct mail program also under the control of the finance division?

Answer. I view it as a separate division.

Question. And who are the principals in terms of supervisory authority for each of the two components? And I ask that for the 1996 time frame exclusively.

Answer. Rephrase your question.

Question. Who was in charge of each component during 1996?

Answer. Marvin Rosen was the national finance chair, R-O-S-E-N. Richard Sullivan, S-U-L-L-I-V-A-N, was the finance director.

Question. And do those two individuals correspond with supervisory roles over the one component or the other, or are they simply the supervisors of fund-raising as a whole?

Answer. Well, that is a little ambiguous.

Question. I think what I am really asking here as far as the direct mail program went, who would you have regarded as in charge of the direct mail program?

Answer. Faith Brown.

Question. And the same question for the major donor program, who would have been in charge of the major donor program?

Answer. Day to day, Richard Sullivan was the division director.

Question. And as far as an overview, anything beyond day to day?

Answer. Marvin Rosen, as the national finance chair.

Question. Do you have oversight responsibilities for the major donor program?

Answer. I did not, except for more of the operational aspects: hiring, firing, engagement of consultants for fund-raising purposes. I signed contracts, catering contracts for events.

Question. And when you say "hiring," are you referring to hiring of the finance department staff that worked with the major donor program?

Answer. I did more of the process aspects. I didn't interview and hire fund-raisers; I processed their paper and made sure that they weren't exceeding their budget.

Question. Did you ever have any direct involvement in the interviewing process of any fund-raisers?

Answer. I don't think I did.

Question. Did you have a direct role in the hiring of fund-raisers, apart from moving the paper through the system?

Answer. No.

Question. Do you know who drafted the direct mail pieces that were used by the DNC?

Answer. Malchow and Associates, M-A-L-C-H-O-W, are the primary paid direct mail consultants for DNC.

Question. And were there other consultants that were used to draft direct mail associations?

Answer. Most of the drafting, it is my understanding, went through Malchow.

Question. And who reviewed the work product of this consultant?

Answer. There was a routing for review. I was on the routing, I think. Chairman Fowler. I know it was routed over to the White House, but I am not sure who all was on the routing slip.

Question. Do you recall any of the names on that, on the router?

Answer. I think probably Hancox. And probably Harold.

Question. Was material routed through DNC offices first before going to the White House or——

Answer. Yes.

Question. Did it go to the White House first?

Answer. Well, I shouldn't say that. There may have been a simultaneous routing that, you know, it went out, because generally the time constraints were—were short.

Question. Do you know whether the President ever reviewed the direct national sourcification prior to their being finalized?

Answer. I do not.

Question. What were the main responsibilities of the major donor program?

Answer. To raise funds, the larger contributions.

Question. Was there a specific—for 1996 time period was there a specific program that was followed, a formula or type of process that was followed for the major donor program?

Answer. I'm sorry, I don't——

Question. I'm sorry to interrupt. Were there specific events that were held on an ongoing basis; and if so, what were they?

Answer. Well, the DNC held a whole series of fund-raising events.

Question. And just if you would generally describe the types of events that were under the major donor program.

Answer. Well, we did a birthday party for the President at Radio City Music Hall, and a satellite—a series of satellite parties that were part of that event. There were a series of dinners that were held, some here, some outside of the D.C. area. You know, there were a variety of events held.

Question. Do you recall the major donor fund-raising goals for 1996?

Answer. My memory is that the—there was a $90 million figure attached to the major donor program.

Question. And do you know how that goal compared with previous years?

Answer. It exceeded that goal.

Question. Do you know by how much?

Answer. I think it roughly doubled what the DNC had ever raised before from that program.

Question. Did the DNC maintain lists of fund-raising prospects for the major donor program?

Answer. I don't know that.

Question. Did you—did you receive on a regular basis the—any type of spreadsheet that indicated financial contributions from individuals?

Answer. I don't remember seeing—no.

Question. Did you receive any lists at all that indicated contribution amounts from DNC contributors?

Answer. I don't think so.

Question. Do you—do you recall whether you were on regular routings for material that might have contained that type of information; that type of information being lists of contributors?

Answer. I saw events totals from time to time, but I don't know that I saw a list of prospective contributors.

Question. Did you ever—did you ever see lists of names provided by—provided to the DNC by the White House?

Answer. No.

Question. Are you aware of any database or repository at the White House that contains lists of names?

Answer. I'm aware of a database, but only because of press accounts.

Question. When you were at the DNC in 1996, did you—did you have any familiarity with the White House database?

Answer. No.

Question. Do the terms—and these are terms of art—"the 1992 top 20" or "the 1992 early supporter," two separate, distinct terms, do they have any specific meaning for you?

Answer. They do not.

Question. Have you heard these terms before?

Answer. I have not.

Question. Is—just to summarize, then, it's your recollection that your knowledge of the White House database is derived solely from press accounts?

Answer. Yes.

Question. Do you have any familiarity with DNC databases that list individual fund-raising contacts?

Answer. We have what's referred to as the AS400.

Question. And what is the AS400?

Answer. It's where—it's the repository for all of our contributor database.

Question. And who—who has access to this system?

Answer. Then or now?

Question. In 1996. Exclusively.

Answer. And I need to get——

Question. I apologize.

Answer. I need to get my time frames here.

Question. I'm referring basically to the 1996 time frame. And if you would like me to be even more specific, I'll try and be, but ask me.

Answer. I'm not sure who specifically had access to the AS400. The person responsible for the maintenance of the system is named Al Hurst, H-U-R-S-T.

Question. Was the AS400 an entirely separate computer system, or was it a program that was on all of the computers that were in various offices?

Answer. I think it's a separate system.

Question. Did, for example, your immediate office have AS400 computers installed in the office?

Answer. No.

Question. So, if you had—if you had required access for that system, you said have had to go somewhere else?

Answer. Yes.

Question. Do you know—do you know where the AS400 system was primarily located?

Answer. I think it's the—in the basement at 430 South Capitol.

Question. And do you have any knowledge of who had access to the AS400, specifically?

Answer. Al Hurst.

Question. And I'm speaking within the DNC employees. Apart from the maintenance employees, the full-time programmatic employees. Did the finance department have access to the AS400?

Answer. I presume they did.

Question. I'm going to show you one memorandum that is—it is a document premarked DNC 3096880. It appears to be a letter from the Vice President to yourself. If you take just a moment to look through that.

Do you recognize this document?

Answer. I do.

Question. Could you explain the circumstances that were behind your receiving this letter to the extent that you know what they are?

Answer. It's my memory that this was the—the Vice—excuse me, the Vice President's database, and that we had an agreement that during this period of time—and that if we maintained the database, that we had access to the database for our events.

Question. Do you know why you received this letter?

Answer. I'm assuming because I oftentimes sign this kind of agreement or contract.

Question. Did you have any conversations with the Vice President or his staff prior to receiving this letter? And when I say conversations, I'm speaking about conversations specifically pertinent to this, the matter discussed in here?

Answer. I may have had a very general conversation with the staff.

Question. And do you recall who you spoke with?

Answer. I may have spoken with Karen Skelton, S-K-E-L-T-O-N.

Question. Do you recall whether the Vice President actually did provide this particular database to the DNC?

Answer. I can't confirm that.

Question. Do you have any recollection of the DNC using this database?

Answer. I'm not sure if we ever accessed the database.

Question. Do you—do you know of any restrictions that were placed on the DNC using this database?

Answer. I do not.

Question. Do you know whose idea it was to use the database?

Answer. I do not.

Question. Do you know—do you recollect whether the DNC first approached the Vice President, or whether it was the other way around and the Vice President approached the DNC about installing the database in the DNC's computers?

Answer. I don't know that.

Question. Just speaking very generally about.

Mr. BALLEN. Excuse me. For the record, I don't know whether you're entering this as an exhibit, but it's on stationery. It indicates Al Gore, paid for by the Democratic National Committee, and not on an official Vice Presidential letterhead.

Mr. WILSON. Thank you. And I'm not introducing that into the record.

EXAMINATION BY MR. WILSON:

Question. Speaking generally about contributions, do you have any knowledge of what happens to contribution checks once they are received by the DNC? And I'm asking for the process that incoming checks went through.

Mr. BRAND. Again the time frame. You have to distinguish between the time prior to the election and the ways in which it was done after.

EXAMINATION BY MR. WILSON:

Question. And I ask exclusively prior to the election, 1996, prior to the November election.

Answer. It's my understanding that the fund-raisers were to prepare an intake form along with the check. The intake form had basic information about the contributor: name, address. I'm not sure about date of birth or social security number. I don't remember the form that well.

That form would then go to a person in the finance division who would code the check. I think one code represented who the donation was going to be attributed to in terms of the fund-raiser. The second was—it's my understanding the way our system works is that each check, each contribution, is attributed to an event. It stayed in the finance division for coding, and then I think in 1996, I think it went directly over to accounting for deposit.

Question. How soon after receipt were checks deposited?

Answer. Well, you know, they're supposed to be deposited within 10 days. Let's presume that they were deposited.

Question. Was there—you mentioned that there was a method of keeping track of contributions by the event to which they applied. Was there a method of keeping an aggregate account of individual contributions?

Answer. It's my understanding that each contribution received was attributed—through the major donor program was attributed to an event.

Question. And were—were there contributions received—what—well, what types of events were the contributions attributed to?

Answer. You know, I—I am not familiar enough with the way that system operated to be very helpful to you on this. I—I've told you the sum total of my knowledge.

Question. You—did you receive periodic reports of the aggregate contributions from particular events?

Answer. I did.

Question. And from whence did they come?

Answer. From the finance division.

Question. And how often did you receive such reports?

Answer. Generally weekly.

Question. Did you forward the reports you received to anybody else?

Answer. No.

Question. Do you recall whether the finance department would send those reports to other offices in addition to yours?

Answer. I don't.

Question. When you first arrived at the DNC in March of 1996, I'm speaking specifically of that time period, did the DNC have a system for screening contributions?

Answer. On this I want to be very clear that my memory is dim here.

Mr. BRAND. Can I ask you what you mean by "screening"?

Mr. WILSON. By analyzing checks to determine whether it was appropriate to keep them or reject them.

The WITNESS. I can only tell you what my—I have a dim memory of having a conversation with, I believe, Joe Sandler. And this was during the period of when I was being briefed of a whole wide range of matters at the DNC where I asked the question about quality control on contributions and was told that the finance division was supposed to be screening any contribution over $30,000.

Now, I want to caveat this. Again, I do not have a—a—you know——

EXAMINATION BY MR. WILSON:

Question. In subsequent months, and I'd ask you about when you arrived, did you have any additional conversations with any other DNC staff about quality control checks that were coming in?

Answer. Not—not that I remember, until about mid-October of 1996.

Question. And why did you have such conversations in mid-October?

Answer. Well, we were in the midst of a—of a controversy.

Question. And how did this first come to your attention?

Answer. Through press reports.

Question. Were you—I know you've said that you—you have very dim memories, but were you aware or do you recall any discussions involving computer database such as on contributors?

Answer. There may have been either a—you know, either I presumed or was told that any check over $30,000 was run through a Nexis-Lexis, just a public database.

Question. And do you know whether those types of computer database searches were being performed when you arrived at the DNC in March of 1996?

Answer. I do not.

Question. Do you have any subsequent knowledge as to whether they were being performed at that time?

Answer. I do not.

Now, the other quality control that I became aware of is that the fund-raising staff was instructed by legal counsel in—as a part of their training, which is separate and apart from training academies, that prior to solicitation of any American sub of a foreign corporation, they were to check with the General Counsel's Office to make sure that that contribution would meet the legal requirements.

Question. In 1996, are you aware of any instances where fund-raising staff were not following the procedures that have been described to you upon your arrival?

Answer. I—I was not aware of that.

Question. Was anybody—are you aware of anybody being reprimanded or disciplined in 1996 for not following stated DNC guidelines regarding acceptance of contributions?

Answer. I am not. But I didn't have direct supervision of that group.

Question. I'm providing the witness with a document. It's a handwritten series of notes. And if you take just a moment to review that.

I've marked this document for convenience as BJT–2.

[Thornberry Deposition Exhibit No. BJT–2 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Referring specifically to the second through fifth lines of this memo, first of all, do you recognize this handwriting?

Answer. It may be Amy Weiss-Tove, but I am not sure.

Question. Are you—this document indicates that—it states: Vetting: What were pressures for dropping? DF—None.

Did you have any conversations with Chairman Fowler—have you had any conversations in '96 or in 1997 with Chairman Fowler about the dropping of vetting procedures?

Answer. I think I did—I probably did.

Question. And do you recall when you might have had such conversations?

Answer. I think it was probably in preparation for his postelection press conference.

Question. Do you recall whether you had more than one conversation?
Answer. I may have, but I don't——
Question. Do you recall?
Answer. Recall.
Question. Do you recall the substance of any of the conversations?
Answer. I remember generally in briefing him for his press conference, briefing him as to what I had been able to ascertain had happened with the vetting process.
Question. And had you contacted other individuals to discuss the vetting process?
Answer. I had.
Mr. BALLEN. Can we have a time frame, please, counsel on these questions?
Mr. WILSON. I'm—any time frame. I asked whether she had contacted people on this subject, and she said——
Mr. BALLEN. She's——
The WITNESS. Well, wait a minute. I mean, see, the rules keep changing here. I thought we were talking about 1996.

EXAMINATION BY MR. WILSON:

Question. I had mentioned for this '96 or '97, but I can be more specific. Had you contacted anybody prior to speaking with Mr. Fowler on this subject? And that would be any time before you spoke with Mr. Fowler.
Answer. Yes.
Question. And do you recall who you spoke with?
Answer. I spoke with Neil Reiff, deputy general counsel. I spoke with Eric Berman, our director of research. I spoke with Joseph Sandler, general counsel.
Question. And speaking specifically about Mr. Sandler, did he give you any reasons as to why he may have discontinued?
Answer. I may have spoken to Brad Marshall also. Let's add Brad Marshall.
Question. Specifically speaking to Mr. Sandler, did he give you any reasons as to why vetting procedures had been dropped?
Mr. BALLEN. Objection. You're assuming a fact not in evidence. She didn't testify that vetting procedures were dropped.

EXAMINATION BY MR. WILSON:

Question. Did Mr. Sandler tell you that vetting procedures had been dropped?
Answer. No.
Question. Did Mr. Reiff discuss with you vetting procedures?
Answer. Yes, he did.
Question. And did you provide any indication as to whether or not vetting procedures had been dropped?
Answer. I was trying to recreate what had happened between May of 1994 forward. I was trying to ascertain as best I could the facts about a period of time when I was not at the DNC.
Question. And in trying to ascertain what happened, what was your conclusion?
Answer. My conclusion is that in May of 1994, during a budget reduction, there was a researcher in our research department, Rumi, I think it's Matazame, and I'm sorry I can't spell that, and that may not be exactly the correct name—was responsible for running the databases on contributors. I do not know exactly—I don't know what the—I don't know what the threshold was. And I can't give you a lot of detail, but I do know that she was responsible for running the databases. As a result of a budget reduction, her position was reduced. It's my understanding that at that point, that function was supposed to transfer itself to the finance division, that—and that that aspect of our procedures never became operational.
Now, that—that's my own conclusion, that when the research department lost that position, and it was moved to the finance department, what happened is it never became institutionalized that they were supposed to vet over in the finance division, that they were given ports to Nexis-Lexis, but it simply never became standard operating procedure over in the finance department.
Question. Do you know what happened to the computer database searching function at that time?
Answer. I do not.
Question. Did you make any inquiries of people as to whether the database service was retained by the DNC or whether it was terminated by the DNC?
Answer. I have made those inquiries.
Question. And what were the—what was the result of those inquiries?
Answer. Inconclusive.
Question. What is the DNC's current policy regarding the vetting of campaign contributions?

Answer. The DNC, since December 1, 1996, vets every check received in excess of $5,000 that we do not have a donor history on file.

Question. And are there any other material ways that the current system differs from the system that you encountered when you first arrived at the DNC in March of '96, to the extent that you recall what the system was in March of '96?

Answer. Well, there is now a compliance division. It's a freestanding division within the Democratic National Committee that reports directly to the executive director. The other aspect of the compliance division is we have a committee that meets as required to review checks if we believe that there is potentially a problem with appropriateness; even though a check might meet legal requirements, that for other reasons it may not be appropriate. This committee meets under the executive director's supervision and makes a recommendation to the national chairman as to the final disposition of that contribution. And the national chairman makes that final decision.

Question. What individuals are responsible for making the changes that comprise the new system?

Answer. Who designed the new system?

Question. Yes.

Answer. Generally, it was designed by our General Counsel's Office, primarily by Neil Reiff, deputy general counsel. We subsequently had the accounting firm of Ernst & Young review our procedures for rigorousness and to make sure that we had every aspect of quality control in the cascade that occurs when we now receive a check.

Question. Do you know—do you know whether Richard Sullivan proposed any salary raises or new staff hirings in May of 1996?

Answer. Richard Sullivan frequently proposed new staff hirings and salary adjustments. So he may well have in May of 1996.

Question. Did you sign off on any salary increases in 1996 for finance division personnel?

Answer. I—yes.

Question. And do you recall—do you recall any of the circumstances of those, what you—precisely what you signed off on?

Answer. I don't without a document in front of me that I can look at.

Question. Do you recall signing off on any staff hirings in 1996 in the finance division?

Answer. I'm sure that I did.

Question. Are you familiar with FEC reporting requirements for campaign contributions?

Answer. I am.

Question. Is there a report that must be periodically filed to satisfy FEC requirements?

Answer. Yes.

Question. And when is such a report supposed to be filed?

Answer. It depends on where you are in the election cycle.

Question. In 1996, prior to the Presidential election campaign—the actual Presidential election, when were FEC filings required?

Answer. Well, I think that they were required every quarter, at the end of every quarter until you got to the time period around the election. And there was what's called a pregeneral filing that is required to be filed if you trigger 441-AD spending. That was tested. There's already been an opinion. The NRCC, the National Republican Congressional Campaign Committee failed to file a pregeneral and a postgeneral, and it was found that they did not need to file a pregeneral if 441-AD authority had not been triggered.

And then there is a postgeneral filing required, and I'm sorry, I've forgotten how many days subsequent to the election. I believe right now, during this cycle, we had a report. Closing period was June—the end of June, you know, for accounting purposes. The report must be filed by the last day of July.

Question. Whose responsibility was it to prepare such reports?

Answer. The FEC filings?

Question. Yes.

Answer. Our legal—at that time, our accounting division and our legal division prepared the reports.

Question. And whose responsibility was it to actually sign off on those reports?

Answer. I believe that the CFO, Brad Marshall, and I don't know if legal counsel signs or not, but I think—I think Brad Marshall, the CFO, signed it.

Question. Was one of your FEC filings from the 1996 time period filed later than the required deadline?

Answer. Well, do you just want me to go through this in a nice, neat paragraph?

Question. Yes. That would be very helpful.

Answer. Do you mind if I just do a paragraph?

At the end of September, in 1996, our deputy legal counsel brought to my attention and Joe Sandler, general counsel's, attention, a flyer, a monthly newsletter, a circular that was prepared by the FEC, that indicated that if 441-AD authority—441-AD authority is the amount of Federal money that we can raise. The '96 cycle it was $12 million, that can be applied for direct candidate support by a committee or by the RNC and the DNC.

If any of that money was spent, and I believe the date was October 16th, prior to October 16th, then based on this opinion by the FEC, you were required to file the preelection report. If you didn't trigger 441-AD authority, the opinion by the FEC, based on a 1996—or '86 opinion dealing with the NRCC said you didn't need to file.

Neil Reiff brought this to my attention, to Joe Sandler's attention, and I believe to Brad Marshall's attention. We knew at that time that we were not going to trigger the 441-AD spending and made a decision that if we didn't trigger it, we didn't think we were going to trigger it, but if we didn't trigger it, we weren't going to file.

I made that decision, because we were very scarce on resources. We had just finished doing a report, and we were sending our resources out to the field. We were in the last 30 days of a national campaign.

I made a judgment that if we didn't need to file, and if it were legal and proper for us not to do so, that our resources could be better used in other places.

Question. Did you consult with Senator Dodd prior to——

Mr. BRAND. I'm going to object to that question on the same grounds. I instruct the witness not to answer.

Mr. WILSON. Okay. Again, if you would note the objection for the record.

EXAMINATION BY MR. WILSON:

Question. Did you consult with Chairman Fowler?

Answer. I advised Chairman Fowler that, based on what I have just told you, that we were not going to file.

Question. And what was his response?

Answer. I don't remember that he gave any response whatsoever other than taking the information.

Question. He was—so he was aware of the decision in advance of the ultimate filing deadlines?

Answer. Yes.

Question. Do you recall whether the accounting firm of Ernst & Young prepared an actual report on 1996 fund-raising practices at the DNC?

Answer. I'm—I don't know what you mean by that, I mean on fund-raising practices.

Question. Well, did you engage the accounting firm Ernst & Young to analyze campaign contributions in the 1996 cycle?

[Witness confers with counsel.]

The WITNESS. I think that the law firm of Debevoise & Plimpton that the DNC engaged sometime around in November actually engaged Ernst & Young to help us conduct an internal review.

EXAMINATION BY MR. WILSON:

Question. Were you aware at the time of this engagement that Debevoise & Plimpton had hired Ernst & Young to prepare some type of analysis of campaign contributions?

Answer. No. Restate the question.

Question. Were you aware at the time that Debevoise & Plimpton hired Ernst & Young, that this arrangement hadn't been made?

Answer. Yes.

Question. And do you—were you aware of what the marching orders were for Ernst & Young, what Ernst & Young was supposed to be doing?

Answer. Yes.

Question. And what were they supposed to be doing?

Answer. Ernst & Young, there were several categories. First of all, we reviewed every contribution above $5,000 received into the DNC from the beginning of January 1994. Part of this we did internally. I believe that the categories that Ernst & Young looked at were funds solicited by—$5,000 and over by John Huang, by Charlie Trie. I can't remember whether Johnny Chung was a separate category or not; the Buddhist temple, the Shilla temple event and any other contribution that would

have resulted from an event that was aimed at the Asian-Pacific-American community.

I think originally we had a threshold of $10,000, and then we lowered it to 5-.

Question. Did you receive any of Ernst & Young's work product?

Answer. I did not—no, I did not. I saw their protocols on how they were going to conduct the investigation.

Question. And the—that which you've just referred to, is that what you're referring to when you say "the protocols," what they were going to be looking at?

Answer. Well, how they were going to conduct—I saw the script.

Question. Uh-huh. And subsequent to the Ernst & Young analysis, did you see any materials that they produced and any of the conclusions that they came to?

Answer. I did not see files per se. I did not see paper work product. I was briefed by DNC general counsel Joe Sandler, and by the lawyers at Debevoise & Plimpton about the work product.

Question. Do you have any knowledge as to whether Ernst & Young prepared a report based on their analysis?

Answer. I'm not sure who prepared the report.

Question. Do you know if there was a report?

Answer. We released all the documents on February 28th. As far as I know, that is the total, other than the discrete files that—if you're referring to a report, we released that on February 28th.

Question. Did Ernst & Young recommend that certain checks be returned?

Answer. The law firm Debevoise & Plimpton made recommendations based on the work of Ernst & Young, and made recommendations to me about the disposition of contributions. They were recommendations only.

Question. Did the DNC return all of the checks which were recommended to be returned?

Answer. In every instance where there was a legal question, we returned the check. And I also believe that in every instance where there was a—a question of appropriateness, that we accepted the recommendation of Debevoise & Plimpton.

Question. Did Ernst & Young identify certain checks by degree? For example, were certain checks deemed to be inappropriate, and were certain checks deemed to be illegal?

Answer. We had three categories.

Question. Okay. What were those categories?

Answer. They were lawfulness or legality, insufficient information, and inappropriateness. The vast majority of the checks ended up being catalogued as insufficient information. We simply could never gather enough information to make a determination. And I believe in almost every instance those checks were returned also.

Question. Who at the DNC was consulted when Ernst & Young completed their analysis?

Answer. I had a—I convened a small working group. And general counsel Joe Sandler, Amy Weiss-Tove, our communications director, myself, our compliance director Paul Houghtaling, H-O-U-G-H-T-A-L-I-N-G, and I believe our research director Doug Kelley were all—as we worked through the contributions, and Peter Cadzick, who is special counsel at the DNC.

Question. Did this group report to anybody else at the DNC?

Answer. We made a recommendation to the Chairman.

Question. Did you report to anybody at the White House?

Answer. I don't remember that we did.

Question. Was anybody from the White House involved in the consultations as to whether checks should be returned or not?

Answer. I don't remember that there was ever any—at least I did not have any conversation about specific contributions.

Question. Who was the final decision maker when it came to making the ultimate decision whether to return a check or not?

Answer. The chairman.

Question. Do you know John Huang?

Mr. BALLEN. Counsel, would—we've been going close to 2 hours. Would now be, before you getting into a new area, a good time for the break?

Mr. WILSON. If we could, I would like to go off the record.

[Brief recess.]

EXAMINATION BY MR. WILSON:

Question. To return briefly to something we were just discussing before we move into a new subject, I am giving the witness a document, which is memorandum for

the President, and it is from Phil Caplan, and it has been premarked CGRO-1262. I will give you a moment to review that document.

This document indicates that the DNC budgeted $1 million for potential fines. Did the DNC budget a sum of money for potential FEC fines?

Answer. No.

Question. It did not?

Answer. No.

Question. And do you have any—can you provide any explanation of the subject matter of this memo?

Answer. This relates, "GELAC" relates to the Clinton-Gore campaign, General Election Lawyers and Accountants.

Question. And so this reference here pertains exclusively to the GELAC organization?

Answer. Well, it's not an organization, it's a fund. I believe it is directly related to Clinton-Gore, not the DNC, and it is to be able to take care, and it is lawful, to take care of the legal and accounting expenses related to running a Presidential campaign.

Question. Do you know who administers this fund?

Answer. I do not.

Question. Have you had any—did you have in 1996 any meetings with individuals who were involved with the GELAC organization?

Answer. GELAC is not an organization.

Question. Did you have any interaction at all with individuals who were involved with GELAC as a, I suppose as a concept?

Answer. Lynn Utrecht, general counsel to Clinton-Gore.

Question. And would she be—was she the administrator of any monies that they controlled?

Answer. I don't know that.

Question. Do you know any other individuals who were involved with GELAC?

Answer. Terry McAuliffe, I believe had an assignment to raise some funds for GELAC.

Question. Did Mr. McAuliffe or Ms. Utrecht meet with you to discuss any GELAC issues in 1996 at the DNC?

Answer. My memory is that GELAC would occasionally come up during the regular weekly meetings.

Question. And by "weekly meetings," what specifically are you referring to?

Answer. We had a weekly meeting to discuss DNC fund-raising.

Question. And where were these meetings held?

Answer. Generally they were held in the Ward Room at the White House.

Question. And do you recall during these meetings whether it was discussed that funds would be set aside for potential fines?

Answer. Part of the reason that you have this kind of funding mechanism is to be able to do the campaign wrap-up.

Question. And was this specifically discussed at the weekly meetings?

Answer. I don't remember that fines were ever segregated out as a topic of discussion.

Mr. WILSON. I have marked this document BJT–3 and have submitted it for the record.

[Thornberry Deposition Exhibit No. BJT–3 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Returning to the subject we were just beginning before our break, do you know John Huang?

Answer. Yes.

Question. And when did you first meet Mr. Huang?

Answer. I think I met John Huang or became aware of John Huang in the middle of the summer of 1996.

Question. And did you have—initially, do you recall where you met him?

Answer. I don't, and I don't even know if I actually met him the summer of—I became aware of him in general.

Question. Subsequently to your first becoming aware of him, do you recall whether you actually met him?

Answer. I first remember meeting him around—I don't—I don't know. I can't remember whether I met him midsummer or on into the fall.

Question. When do you recollect that you first did actually meet Mr. Huang?

Answer. I don't, you know, I have given you my best guess.

Question. Did you meet Mr. Huang personally?

Answer. Yes.

Question. And where did you first meet Mr. Huang personally?

Answer. Well, I am trying to tell you, I don't remember clearly. If I met him in passing, midsummer.

Question. And subsequently to the first meeting, did you have—were there other occasions when you met with Mr. Huang?

Answer. I met with—I may have met with Mr. Huang in September of 1996.

Question. Do you recall where you met him?

Answer. He may have come to my office with Bill Kaneko.

Question. And what was the occasion for the visit?

Answer. To talk about the funding for the Asian Pacific American Outreach Program.

Question. What position did Mr. Huang hold at the DNC?

Answer. He was deputy finance chairman. I believe that was his title.

Question. Did you discuss, prior to Mr. Huang's hiring at the DNC, whether he had been recommended for his position at the DNC?

Answer. I wasn't at the DNC when John Huang was hired.

Question. Subsequent to your arrival, did you have any conversations about the circumstances of Mr. Huang's being hired at the DNC?

Answer. Subsequent to my arrival? No.

Question. Did you have any conversations with any DNC employees about Mr. Huang's background and why he was hired by the DNC?

Answer. In October of 1996, the very—well, it may have been actually the very beginning of November. I was preparing to do an interview with the Washington Post and The New York Times, and as a part of that briefing session, I was trying to ascertain, because I thought I would be asked that question, how he came to be hired at the DNC.

Question. And who did you speak with at that time?

Answer. I believe I spoke to Richard Sullivan.

Question. And what did he tell you?

Answer. He told me that he and Marvin had recommended to Don Fowler that John Huang be hired and that Fowler subsequently interviewed Huang and hired him.

Question. Did you have any discussions after that particular discussion about Mr. Huang's hiring at the DNC?

Answer. I don't remember that I did.

Question. Do you recall having any discussions with White House personnel about the background of Mr. Huang's hiring?

Answer. No, I did not.

Question. Who were Mr. Huang's immediate supervisors at the DNC?

Answer. I presume Richard Sullivan and Marvin Rosen.

Question. Did you have any supervisory responsibility over Mr. Huang?

Answer. No, I did not.

Question. Do you know whether Mr. Huang met with General Counsel Sandler to discuss fund-raising matters prior to coming to the DNC?

Answer. I do not.

Question. Do you know if Mr. Huang received any briefings from Mr. Sandler regarding fund-raising practices by the DNC at any time during his tenure at the DNC?

Answer. My memory is that I was told—once again, this was in preparation for the interview that I was going to do at the—the interview came out the Saturday before the election, so whatever that date would be, and I don't know, I don't remember who told me, but that he did have a session with the general counsel.

Question. And when that was communicated to you, what was discussed during that session?

Answer. I know that there was a concern that he particularly understand the intricacies around soliciting funds from American subs of foreign corporations.

Question. Do you know when that discussion took place?

Answer. Well, my memory is that I was told that that discussion took place in either late January or early February.

Question. Of?

Answer. 1996, but prior to my arrival at the DNC. Now, once again, remember, I am totally reliant on, number one, my own memory, but on some of this, what I have been told by other people because I wasn't present.

Question. Understood.

What was Mr. Huang's reputation amongst fund-raisers at the DNC?

Answer. I don't know specifically with regard to his colleagues what his reputation was.

Question. Did DNC management discuss Mr. Huang's activities during your tenure at the DNC prior to the election?

Answer. Chairman Fowler at some point, you know, in the summer, midsummer, remarked to me or remarked to a group that, you know, John Huang was being fabulously successful within the Asian-Pacific-American community.

Question. Did Mr. Huang have any employees working for him at the DNC?

Answer. I do not believe he had any paid employees; he may have had some volunteers or some interns.

Question. Do you recall whether you signed any authorization papers for any intern that might have worked with him?

Answer. I would not sign an authorization for an intern.

Question. Do you recall any discussions about Mr. Huang having some assistance?

Answer. I need to——

(Witness conferring with counsel).

The WITNESS. Well, the only way I know about this is through my Senate deposition when they gave me a document, a handwritten memo from Don Fowler that has got my name on it, but I don't remember seeing the document, which requested a—I believe the substance of the memo was to request a staff person for Huang.

EXAMINATION BY MR. WILSON:

Question. And did that memorandum discuss providing certain money to pay the assistant?

Answer. I don't, I don't believe that it did, and I do not believe we ever hired an assistant for John Huang.

Question. Do you know whether any of the other fund-raisers, excepting the heads of the department, had any assistants during their times working for the DNC as fund-raisers?

Answer. I think that depends on how you define assistants. The fund-raising division was broken down into the Saxophone Club, the Business Council, and we generally had a lead, and then people who reported to the lead person.

Question. Individuals at Mr. Huang's level, did others have an assistant or an intern working for them?

Answer. Lots of people had interns. Anybody who could get their hands on an intern had an intern.

Question. Do you recall whether any of Mr. Huang's colleagues at his fund-raising level, that is employment level, had interns or assistants?

Answer. I don't know that.

Question. Do you know whether Mr. Huang ever set up events involving the President?

Answer. I know from subsequent, or from news reports that, yes, he did.

Question. And during what time period did Mr. Huang make arrangements for fund-raisers involving the President?

Answer. This is not something that I have any firsthand knowledge of.

Question. Your knowledge is limited exclusively to secondhand news accounts?

Answer. Yes. Either news accounts or what I have subsequently been told.

Question. Was a decision made—are you aware of a decision being made at the DNC in 1996 to restrict the type of events that Mr. Huang would be involved in organizing?

Answer. I was not.

Question. Were you a participant in any discussions involving Mr. Huang's performance, excepting the one you mentioned earlier where there was a mention that he was doing—I don't recall what you said, but a good job?

Answer. No.

Question. Is it your recollection that that was your sole conversation regarding Mr. Huang's performance? And I will clarify that, prior to October of 1996.

Answer. I believe that that was my only conversation about his performance.

Question. Subsequently, have you become aware of whether Mr. Huang had his own lists of potential donors?

Answer. I don't know that.

Question. Are you aware of any travel that Mr. Huang undertook while he was an employee of the DNC?

Answer. One trip.

Question. And where was that trip to?

Answer. To Taiwan.

Question. Who had the sign-off authority on that trip?

Answer. Generally, I sign travel authorizations or the CFO does.

Question. And if somebody was requesting travel, what type of documentation would they provide you with?

Answer. They fill out a travel authorization form.

Question. And what other procedures are involved in the sign-off of that request?

Answer. None.

Question. Did the materials submitted have a description of the purpose of the travel requested? I am asking that as a general question about authorization of travel.

Answer. Generally a sentence for purpose, you know, purpose of event, you know, to attend the democratic mayor's meeting in St. Louis.

Question. Was there a specific space to put the purpose for the travel?

Answer. That was generally the purpose line.

Question. Do you recall why Mr. Huang was requesting travel on this one occasion?

Answer. The reason that this came to my attention is that—and I don't believe that I saw—I may have, I may have seen the travel authorization. The CFO, Brad Marshall, brought this to my attention because he thought it was funky that a DNC employee would be traveling overseas. I thought it was funky, too. So we went to Sandler, general counsel; Sandler went to Huang and gave the go-ahead, basically. He didn't authorize it, because I think either Brad or I eventually authorized it, but he did the inquiry and was satisfied that the scope of this trip was narrow enough and that John Huang understood, you know, the legal restrictions and basically said it's fine for him to go.

Question. And what was the scope of the travel?

Answer. My memory was to solicit funds from Americans living abroad, American citizens living abroad.

Question. And did Mr. Marshall have any direct contact with Mr. Huang on this matter?

Answer. I don't know that.

Question. Did Mr. Sandler report back to yourself with the results of his discussion with Mr. Huang?

Answer. I don't remember whether he talked to me or whether he talked to Marshall and Marshall relayed it to me.

Question. And what was relayed to you or communicated to you?

Answer. What I have already stated.

Question. Were you informed prior to October of 1996 by a DNC employee that Mr. Huang might have been accepting or soliciting money from non-U.S. citizens?

Answer. No.

Question. Did you hear anybody discuss whether Mr. Huang might have been raising inappropriate or illegal funds prior to—did you hear this prior to October of 1996?

Answer. I did not.

Question. Do you have knowledge of how much money Mr. Huang raised for the DNC while he was a DNC employee?

Answer. The figure that we have used is $3.4 million.

Question. To the best of your recollection, at what point was Mr. Huang first—at what point was there a concern that Mr. Huang might have been raising questionable campaign donations?

Answer. The first instance that I am aware of is the Choeng Am check. I think it is C-H-O-E-N-G, capital A-M.

Question. And what was that issue?

Answer. The issue here was twofold. There are two requirements to be able to accept money from American subs. Whether it is decisionmakers or green card holders for United States citizens, and whether or not they are domestic profits to sustain the contribution, and this one didn't meet muster on either standard.

Question. And how did that come to the people's attention?

Answer. Alan Miller, Los Angeles Times.

Question. So the first time that you were aware was in response to a newspaper account?

Answer. That is correct.

Question. Was a meeting held in October of 1996 to discuss Mr. Huang at the DNC?

Answer. Well, I had several discussions in October of 1996.

Question. Actually, bearing in mind that there may have been many discussions, was Mr. Huang in attendance at any meetings discussing the matters raised in the initial news accounts?

Answer. He met with our general counsel and our communications director primarily, and sometimes me, but not always me, in order for us to be able to respond to press inquiries. We were in the—we were trying to ascertain fact.

Question. And when you mentioned the communications director, who is that?

Answer. Well, Amy Weiss-Tobe is now the communications director. At that time she was press secretary. W-E-I-S-S hyphen T-O-B-E.

Question. And was it with Ms. Toby that the meetings occurred last year in 1996?

Answer. Most generally we would, if that is what you want to call a meeting, they would meet with John Huang to try to respond to whatever press inquiry or inquiries that we were dealing with that day.

Question. How many times did you meet with Mr. Huang or have discussions with Mr. Huang?

Answer. I probably—three or four, and a couple of those were, you know, drop-ins with other—you know, with Amy and Joe. A conversation was already in progress.

Question. Did you discuss the Choeng Am contribution during any of these discussions?

Answer. Yes.

Question. And what did Mr. Huang tell you about that contribution?

Answer. My memory is that Joe Sandler, general counsel, as a result of a press inquiry, was trying to ascertain whether John Lee, who was principal, and it is just L-E-E, could have donated under any other name to the DNC. I remember that distinctly. I don't remember——

Question. Did Mr. Huang provide for you any explanations of who made the donation and did he provide any background on that particular donation?

Answer. He probably did; I don't—not to me directly. I was, frankly, more of an observer in these conversations than, you know, an active participant.

Question. Do you recall whether anybody asked him directly about the circumstances of the Choeng Am contribution?

Answer. Joe Sandler I am sure did.

Question. And did Mr. Sandler make this inquiry in your presence?

Answer. He did in the instance that I have just told you about.

Question. And do you have any recollection as to Mr. Huang's response?

Answer. The initial responses, no, that he did not contribute under any other name. He subsequently came back, and there may have been one additional inquiry to him about this matter, but eventually he came back, and I don't know whether I was in the room or whether this was related to me later, but that for us to look under H.K., or K.H. Lee.

Question. At the time you were having discussions about the contributions being in October and perhaps the beginning of November of 1996, were there any discussions on how Mr. Huang came to be employed at the DNC that you were a part of?

Answer. Well, I have already—you have already asked me that question and I have already answered.

Question. You answered fully?

Answer. Yes.

Question. Okay. Are you aware of whether anyone at the DNC has had contact with Mr. Huang this year?

Answer. I don't think so, but I don't—I know that I have not. In the calendar year 1997?

Question. Correct.

Answer. I have not.

Question. Do you know of anybody that has specifically been contacted by or contacted Mr. Huang in 1997?

Answer. I do not know that.

Question. When did you first—have you ever met Charlie Trie?

Answer. I have not.

Question. Have you had discussions with others about fund-raising activities of Mr. Trie?

Answer. I had a—yes.

Question. And what were the substances of those conversations?

Answer. I called Harold Ickes as a result of the Choeng Am conversation, the John Lee, a.k.a. H.K. Lee, conversation and told Harold that my—as it were, my manager's antenna were up, was up, whatever is grammatically correct, that I was not sure whether or not this was a cultural problem we were having with him, but he was not being as forthcoming as, you know, you would hope that he would be, and relayed I think just the bear outline of why I was concerned. And it was during

that conversation that Harold said, well, if you're concerned about Huang, you better look at Charlie Trie.

Question. This telephone conversation, you called Mr. Ickes?

Answer. I did.

Question. And you called him specifically about the Choeng Am contribution?

Answer. I called him because I wanted to relay my concern.

Question. Did Mr. Ickes communicate anything else about Mr. Trie, his knowledge of Mr. Trie's fund-raising activities?

Answer. He did not. I have already told you what he communicated to me.

Mr. BALLEN. When did this conversation occur?

The WITNESS. It was mid-October, maybe third week in October, sometime during that period of time.

EXAMINATION BY MR. WILSON:

Question. And how long after the Choeng Am contribution came to your attention did the call take place, approximately?

Answer. Well, I don't—you know, it is very hard for me to remember time frames. I can just tell you—my memory is that the Choeng Am contribution came up in September, but the conversations, additional conversations—I have already told you the circumstances that made me nervous. Those didn't occur until close to the period of time where I called Harold. And—well——

Question. Were you aware of Mr. Trie's fund-raising activities on behalf of the DNC in 1996?

Answer. I was not.

Question. I would like to show you a document that is a Xerox of a check and it is from a Michele Lima, and it has been premarked F 0047879. I show this just to ask you generally about whether you had seen—whether you have seen this particular solicitation form prior to—in 1996?

Answer. No, I don't think that I did.

Question. Have you subsequently seen this particular Xerox of this check?

Answer. You know, I may have.

Question. This indicates that for a particular contribution, the solicitor was Charlie Trie. Did Mr. Trie have any designation within the DNC as a fund-raiser?

Answer. Only as a lay fund-raiser.

Question. And what does that mean?

Answer. Unpaid, somebody who volunteers to raise money.

Question. Do you know of others at the DNC that Mr. Trie worked with in his fund-raising activities?

Answer. I don't know anything about Charlie Trie.

Question. Do you know of any contacts that Mr. Trie had with other employees of the DNC?

Answer. I don't.

Question. Have you been told of contacts that Mr. Trie might have had with other fund-raisers at the DNC?

Answer. Other than John Huang, he may have had contact with David Mercer, but I don't know that. I personally don't know that.

Question. And concerning Mr. Trie's contacts with John Huang, what have you been told about those contacts?

Answer. All I know about Charlie Trie are the contributions that we have subsequently returned. I don't know about the relationship between Charlie Trie and John Huang and how they may have worked together, may or may not have.

Question. Have you had any conversations involving Mr. Trie's interactions with the DNC at any time in your tenure at the DNC?

Answer. I don't remember, other than following up when Harold said that we should check the Trie contributions, other than that.

Question. And when Mr. Ickes suggested that there might be a problem with Mr. Trie's contributions, what did you do?

Answer. First of all, he didn't suggest that there might be a problem; he suggested that if I were concerned about John Huang that I might want to look at Charlie Trie. I then talked to Joe Sandler and to Richard Sullivan, and communicated to them that we needed to pull and review any contributions that he had made—or, sorry, not that he had made, that he had solicited on behalf of the DNC.

Question. And do you know whether they followed up on that advice?

Answer. Yes, they did.

Question. And what did they do?

Answer. I know that initially they could only retrieve two contributions. One was called Chy Corporation, C-H-Y, and there was another, but I can't—I'm sorry, I can't remember, but that is because of the way the attributions are done on these things.

Question. And subsequent to their retrieving the contributions you must have remembered, in examining them, what action was taken?

Answer. I think that they were then a part of the internal review, and I believe on Chy Corporation that we ultimately returned that one, and I can't remember on the other one. I think we just dumped them into the internal review process.

Question. Did anybody contact Mr. Trie and discuss the contributions?

Answer. Joe Sandler may have tried. I don't know if he was successful.

Question. Do you know of anybody else attempting to contact or actually contacting Mr. Trie?

Answer. I don't.

Question. Did Mr. Sandler communicate to you that he was going to try to contact Mr. Trie?

Answer. You know, I don't remember.

Question. Do you recall whether anybody else communicated to you that Mr. Sandler was going to attempt to contact Mr. Trie?

Answer. I may have assumed, frankly, that because he was doing at that point the fact-finding and the review himself, that since we had pulled two contributions, that he would then do the follow-up. I don't remember having any specific conversation about follow-up. I think I just assumed that as legal counsel, he would do that.

Question. During your tenure at the DNC, from your arrival in March of 1996 until October of 1996, October inclusive, did you have any knowledge of the President's legal expense trust?

Answer. I—no, no. Unless there had been news accounts, no.

Question. Do you have any conversations with people at the White House where they mentioned to you the legal expense trust?

Answer. No.

Question. Do you know Michael Cardozo?

Answer. I do not.

Question. When Mr. Ickes informed you about Mr. Trie initially, did he mention the Presidential Legal Expense Trust?

Answer. I have described the conversation.

Question. Are you aware, and I would just like to return very briefly to the Choeng Am contribution, are you aware of what Choeng Am's primary business is?

Answer. I'm not.

Question. Do you know whether a Choeng Am representative approached anybody at the DNC about meeting the President?

Answer. The only thing I know about the Choeng Am solicitation is what I have read in the paper.

Question. Are you aware of whether anybody at the DNC arranged for John Lee to meet with the President?

Answer. I am not.

Question. Through your subsequent review of the contribution, are you aware of how this particular corporation was targeted as a possible source for contributions?

Answer. I am not.

Question. When it was determined that there was something out of the normal about the Choeng Am contribution, was Mr. Huang reprimanded in any way?

Answer. The only reprimand that I remember was to remind him that he was supposed to preclear this kind of solicitation with the general counsel.

Question. And is it your recollection that that was the one instruction that was given to him at the time? Was there anything else that he was told to do?

Answer. No.

Question. How would you characterize the relationship between the White House and the DNC?

Answer. The President is the titular head of the Democratic Party. It was a working relationship.

Question. And aside from the President's position as titular head of the party, did the White House exert any authority over the DNC?

Answer. I don't know what you mean by authority.

Question. Whether there was veto authority over initiatives to be undertaken or budgetary authority over matters that were under discussion?

Answer. I think there was a close working relationship where a consensus was tried—you know, we tried to reach a consensus on, you know, certain issues from time to time.

Question. Did the White House review budgetary matters that related to the DNC?

Answer. Yes.

Question. Did White House staff have authority to make budgetary decisions on behalf of the DNC?

Answer. I don't know that that is—I don't think that I would phrase that that way.

Question. How would you characterize the budgetary relationship between the White House and the DNC?

Answer. I think that there was a very pragmatic understanding that because the President was raising so much of the money that the DNC was spending, that it made sense for there to be discussions about resource allocation.

Question. Did the White House have authority to approve budgetary matters prior to your sign-off at the DNC?

Answer. I don't understand that question.

Question. Did any White House staff members decide either yes or no on a particular budgetary matter before it came to your attention as the person who would ultimately execute a contract, for example?

Answer. No, not in all instances, no.

Question. In some instances, was that the case?

Answer. In—yeah, there were some instances where Harold would approve an invoice either from the pollsters or from the media consultants, you know, for payment.

Question. I am showing the witness a document which is a memorandum to Chairman Fowler from Harold Ickes, and it is cc'd, among others, to B.J. Thornberry. It has been premarked OEP 034213. If you could just take a moment to review that.

Have you seen this document before?

Answer. You know, I probably have.

Question. And were you aware that Mr. Ickes had informed Mr. Fowler that all matters dealing with allocation and expenditure of monies involving the Democratic National Committee are subject to the prior approval of the White House?

Answer. Well, if you will look at the totality of the written style of Harold Ickes, this is—there is a written style and then what actually happened in practice, and as I said, a lot of the resource allocation decisions were made collaboratively or by consensus, but I don't remember having this kind of rigid relationship.

Question. And how would you characterize what actually did happen subsequent to this memo?

Answer. That there were, as I have described, some collaborative decisions, decisions that were reached, you know, reached by consensus about what made sense in terms of resource allocation.

Question. Did you submit, prior to their ultimate execution, major budgetary matters directly to Harold Ickes?

Answer. I don't remember that happening that way.

Question. Was there a system in place to keep Mr. Ickes apprised of potential significant expenditures that the DNC might incur?

Answer. Those, if that were going to happen, it would have come up at the weekly meetings.

Question. Did you consistently discuss major budgetary matters at the weekly meetings?

Answer. No, we did not.

Question. Did you on occasion discuss such matters?

Answer. Occasionally, yes.

Mr. WILSON. I have marked this document BJT–4, and I will submit that for the record.

[Thornberry Deposition Exhibit No. BJT–4 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. I am showing the witness another memorandum directed to four individuals, Chairman Dodd, Chairman Fowler, B.J. Thornberry, and Brad Marshall, and it is from Harold Ickes.

Have you seen this document before?

Answer. I—it has my name on it.

Question. Do you recall the circumstance of this particular memorandum?

Answer. I don't—I remember in general the concern that we husband our resources very, very carefully and that we—that there needed to be a very careful reconciliation of the, you know, the invoice and the documentation.

Question. Do you recall whether payment on the invoice that was discussed was actually stopped after this memorandum was received?

Answer. I know that as a matter of practice we didn't pay invoices for—I don't so much remember Penn and Schoen, but I do remember Squier and Knapp, until there was a reconciliation done.

Question. And what did the reconciliation involve?

Answer. Reconciling the documentation of the work produced to the invoice so that you, you know, made sure that those two were in symmetry. In other words, you weren't overpaying or potentially paying at a higher percentage for the, you know, the fee that is paid.

Question. Was this—had there been ongoing discussions amongst DNC personnel regarding bills from Squier/Knapp or Penn and Schoen prior to the date indicated on this memo?

Answer. I don't remember anything unusual, other than normal day-to-day tracking of expenditures.

Question. Are you able to—do you recall whether this memorandum was the first time this matter was brought to your attention?

Answer. I don't remember that.

Question. Okay.

Mr. WILSON. I have marked this document BJT–5 and I submit it for the record.

[Thornberry Deposition Exhibit No. BJT–5 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. How often did DNC personnel meet with White House personnel to discuss DNC spending?

Answer. We met once a week.

Question. And what was the substance of the discussions?

Answer. There were generally three or four categories. We would go over the financial status, the cash flow summary for the DNC. We would go over fund-raising projections. We would go over scheduling items, and the final category was generally State splits.

Question. Did the DNC deviate from White House recommendations made during these meetings?

Answer. Not that I remember. It was the purpose of the meetings.

Question. Do you recall whether the DNC ever made any major decisions regarding allocation or expenditure of funds that the White House did not approve of?

Answer. No.

Question. Did you have contact with individuals employed by the White House during the tenure at the DNC in 1996?

Answer. Can you ask me again?

Question. Did you have contacts with White House personnel in addition to the weekly meetings during 1996? You had mentioned Doug Sosnik before, I recall. Were there any other individuals that you had ongoing contact with?

Answer. No. I don't think so.

Question. Who—who were generally the participants of the weekly money meetings?

Answer. Chairman Fowler, from time to time; Senator Dodd, but he was not a regular participant; his chief of staff at that—during that period of time, Michael Powell, P-O-W-E-L-L; myself; Brad Marshall; Richard Sullivan; Marvin Rosen; Doug Sosnik; Karen Hancox; Harold Ickes, I-C-K-E-S. That was the sort of the core group. From time to time, David Strauss, S-T-R-A-U-S-S, from the Vice President's Office. He was deputy chief of staff to the Vice President and joined us from time to time; Ron Klain, chief of staff to the Vice President; from time to time, Peter Knight. He was campaign manager for Clinton-Gore. From time to time, Terry McAuliffe; and, you know, very occasionally Tina Flournoy, F-L-O-U-R-N-O-Y, Flournoy; and Laura Hartigan. But they were—that second group was not consistent. I mean, their attendance was episodic at pest.

Question. Were people ever brought in to make special presentations to the weekly money meetings?

Answer. Scott Pastrick, sorry. Scott Pastrick, P-A-S-T-R-I-C-K. He was treasurer at the Democratic National Committee. Pastrick would be in the first group, not in the second.

Question. Were people—did people occasionally attend the meetings to make special presentations?

Answer. I don't remember that ever happening.

Question. Were there ever consultants invited to the meetings?

Answer. No.

Question. Did either yourself or anyone on your staff have a permanent White House pass to obtain access to the White House?

Answer. I didn't.

Question. Do you know if anybody else on senior staff at the DNC had such a pass?

Answer. I don't know that.

Question. Do you recall during your—during 1996 whether the DNC set up meetings with—between agency officials and contributors?

Answer. I know that at least on—well, I know secondhand that on a couple of occasions, that the DNC had contact with, you know, agencies, presumably, I guess, to set up meetings.

Question. Were you aware of any—during 1996, were you aware of any DNC supporters who had requested meetings who were thought to be inappropriate subjects to meet with either executive branch or agency officials?

Answer. I know that on one occasion, Peter Scher, and I think it's S-C-H-E-R, who was at Commerce, I think he was Mickey Kantor's chief of staff, called Jake Siewert, who was my deputy and—about a meeting that he felt was inappropriate. These meetings were handled by the chairman's office. I did not—I did not do oversight and had very little interaction with any of that activity. What I know is basically secondhand.

Question. The meeting or the instance you just discussed, who did that involve?

Answer. I—it was with regard to Chairman Fowler making a request of the Department of Commerce that Peter Scher was unhappy about. That's the extent of my knowledge.

Question. And do you—do you recall the individual Chairman Fowler was making the request on behalf?

Answer. I do not. I'm sorry.

Question. Do you have any knowledge of—do you have any knowledge of any subsequent situations where contacts were deemed to be inappropriate between DNC supporters and any executive or agency employees?

Answer. You know, I didn't have any. I was not involved in that—I didn't oversight the chairman's staff. And so I—all I know is secondhand, either what I've read——

Question. Did you ever receive requests of people who wanted to meet with government officials?

Answer. I did not. I did not, that I remember, have anybody from the outside approach me to set up a meeting on behalf of the contributor.

Question. Were you involved in any discussions relating to Presidential appointments for DNC supporters?

Answer. I was not.

Question. Were you aware during 1996 of instances where individuals were seeking Presidential appointments?

Answer. Well, individuals are always seeking Presidential appointments.

Question. But specifically, do you have any recollection of particular individuals who were seeking particular Presidential appointments?

Answer. Well, in general, I—there were lots of people on, you know, DNC staff, or not lots, not for Presidential appointments, but—I mean, I don't—I don't remember any specific conversations other than, you know, gossiping about, you know, who might want what.

Question. And—but you yourself were not involved in any of the discussions——

Answer. No.

Question. Relating to particular individuals?

Answer. No. No.

Question. Did you have any interaction with Ann Stock, who was a White House employee?

Answer. No.

Question. Did you have any contacts with Nancy Hernreich?

Answer. No.

Question. Are you familiar with an individual named Yolanda Caraway?

Answer. I only—I don't know her.

Question. Who is Ms. Caraway?

Answer. I—she was a—an associate or friend of Ron Brown's.

Question. Were there—were there prepared guidelines to keep DNC and Clinton-Gore '96 expenditures or activities separate?

Answer. I don't—I'm not familiar with whether or not there were written guidelines.

Question. Do you know if there were rules in separating expenditures?

Answer. Well, I mean, we abided by, as far as I know, all of the legal requirements for what's appropriate for a committee, a national committee. And not advo-

cating—we supported policy, not, you know, the—we did not advocate the election of anybody.

Question. Uh-huh. Did—did the DNC and Clinton-Gore '96 Re-elect hold joint events?

Answer. There may have been an event from GELAC to raise money for GELAC.

Question. And who would have been in charge of the DNC end of this event?

Answer. Well, the lawyers would have worked out the—all of those arrangements. Lynn Utrecht, general counsel to Clinton-Gore, and Joe Sandler, DNC general counsel.

Question. Do you have any direct knowledge about how the expenditures were shared between the two?

Answer. I don't.

Mr. BALLEN. If, in fact, they were shared at all?

The WITNESS. Well, yeah.

Mr. WILSON. I think her answer is that she has no recollection at all. It stands with that.

EXAMINATION BY MR. WILSON:

Question. On the subject of the Wednesday money meetings, do you know if memoranda were prepared to inform the President of what went on at those meetings?

Answer. Harold memorialized the meetings.

Question. And did he circulate the memoranda for comment or review before it was forwarded to the President?

Answer. Sometimes he would. I don't know that I ever saw a full memorandum. But he would ask a question or want clarification on a—on something.

Question. And how frequently did that occur?

Answer. You know, maybe once a month.

Question. Did the President or Vice President ever attend weekly meetings?

Answer. No.

Question. Do you know if the meetings were held before you joined the DNC?

Answer. I—I don't know. I mean, they were when I was there. I can't speak to what happened before.

Question. And do you have any knowledge of who originated the idea of having the meetings?

Answer. I don't.

Question. Do you recall whether any fund-raising ideas were proposed at any of the meetings you attended?

Answer. From time to time.

Question. And what types of events were proposed?

Answer. We talked about the birthday event. I remember that. I don't really remember anything else.

Question. Aside from specific events, were there any fund-raising schemes that were discussed at—at these meetings?

Answer. I don't think we talked about schemes at the meetings.

Question. Other than—other than the weekly meetings that you've mentioned, how was the—were there other ways that the White House was involved in the DNC operation?

Answer. Well other than the—from my end, other than the conversations that I've always—you know, have already described, no.

Question. Do you know Janice Enright?

Answer. I do.

Question. And who is Janice Enright?

Answer. She's an assistant to Harold Ickes.

Question. And did you deal with her in her capacity as a White House employee?

Answer. Occasionally.

Question. And why would you have interacted with Ms. Enright?

Answer. Because she worked directly for Harold.

Question. Did you ever have any discussions about the money meetings with Ms. Enright?

Answer. I don't remember that we did other than potentially who was going to attend, what the manifest was going to look like.

Question. Did she ever forward requests to you directly from Mr. Ickes?

Answer. Occasionally.

Question. And do you recall any other requests?

Answer. No. But I mean they would have been some detail. I don't—I can't pull out an example for you.

Question. Do you know Evelyn Lieberman?
Answer. I do.
Question. And who is Ms. Lieberman?
Answer. During 1996, she was deputy chief of staff at the White House.
Question. Was—was she an attendee of the weekly meetings——
Answer. No.
Question. You attended?
Where do you know Ms. Lieberman from?
Answer. I met her when I became executive director.
Question. Under what circumstances?
Answer. She asked me to come over one day for coffee.
Question. And this was to go over to the White House?
Answer. Uh-huh. I guess I should use some other—a Diet Coke. Can we change that record?
Question. Did you have any subsequent interaction with Ms.—with Ms. Lieberman?
Answer. No. I don't remember that I ever did.
Question. Do you know Gordon Li?
Answer. I do.
Question. And who is Mr. Li?
Answer. He was executive assistant to Doug Sosnik and maybe Karen Hancox but to Doug Sosnik in this case, political director of the White House.
Question. Did you have any interaction with him in his capacity as White House employee?
Answer. On the phone.
Question. Did he make requests of you?
Answer. No. I mean, other than to answer the phone. I mean, I don't remember specifically.
Question. Do you recall anything that you discussed with Mr. Li?
Answer. Other than inquiring as to availability for the Wednesday meetings.
Question. To you know Sandy Berger?
Answer. I do not.
Question. Do you know Anthony Lake?
Answer. I do not.
Question. Have you had any discussions with Marcia Scott?
Answer. In 1996—I don't think so.
Question. Did—do you know—did Ms. Scott attend any of the money meetings?
Answer. No.
Question. If we could, I would like to go off the record for just a moment.
[Discussion off the record.]

EXAMINATION BY MR. WILSON:

Question. Let's go back on the record, please.
Are you aware there were a series of coffees at the White House during 1995 and 1996?
Answer. I am aware of that.
Question. Were these coffees part of a major donor program?
Answer. They were a part of an overall fund-raising program, yes.
Question. And how would you characterize them?
Answer. I would characterize them as, and I hate this term, as servicing events, as a way to energize and invigorate people who might either—either contribute for the first time or contribute additional funds to the DNC.
Question. Did you actually attend any of the coffees?
Answer. I did not.
Question. I would like to show the witness a memo that indicates a particular May 7 coffee. And if you would take just a moment to look at that.
Mr. BALLEN. Could Minority counsel please have a copy of the document being shown to the witness?

EXAMINATION BY MR. WILSON:

Question. And just directing your attention to the first category, the purpose category where it notes that the purpose of this coffee is to raise funds for the Democratic National Committee, is that a correct statement for the purpose of this particular coffee?
Answer. Well, I've already stated what I believe to be the purpose of the coffee.
Question. Do you know—do you have any knowledge of whether any of these coffees were used to directly solicit funds of contributors, potential contributors?

Answer. I do not.

Mr. WILSON. I would like to submit this one page of the memorandum. I've marked it at BJT–6, and I'll submit that for the record.

[Thornberry Deposition Exhibit No. BJT–6 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you have any knowledge of who initially proposed the coffees including the President be held at the White House?

Answer. I know from the press or television that Terry McAuliffe has publicly stated that he first suggested coffees.

Question. Do you know who had the final approval for scheduling the coffees?

Answer. I do not.

Question. Do you know whether there was a DNC employee that had any authority over scheduling coffees?

Answer. Well, let me—I want to correct the record. As a part of our weekly meetings, we did—we did do—make scheduling requests. What happened after that, I wasn't involved in that process of how it got scheduled. I just don't have any knowledge of that.

Question. Did you have any conversations with other DNC employees about scheduling these coffees?

Answer. I did not.

Question. Do you know whether any records were kept of how much money was raised as a result of the coffees?

Answer. I have seen documents at my Senate deposition that had—and I had seen them, you know, actually prior to that—that had dollar figures attached to the coffees. I mean, I think that's been widely reported.

Question. Did—were you—did you receive such records during 1996 when you were in your official capacity at the DNC?

Answer. I may have seen them as a part of the materials that were produced for the Wednesday money meetings. But as far as I know, there were never—there was never a ticket or a ticket price associated with the coffees, and that any money attributed was as a result of motivating and invigorating the—you know, it's part of motivating and invigorating the fund-raising base, you know, that eventually that was what they would hope to be able to generate to meet the overall projection.

Question. Do you know who approved the final invitation lists?

Answer. I do not.

Mr. BALLEN. I just like to clarify for the record. I believe the witness has testified she hasn't heard these figures. She didn't have any first-hand knowledge. And to the extent that she's testifying about information that's in the press or whatever, I think that should be clarified for the record.

Mr. WILSON. I'm showing the witness now a letter. It appears to be a form letter with the heading—it's under the stationery Democratic National Committee. It's been premarked EOP 035478.

[Thornberry Deposition Exhibit No. BJT–7 was marked for identification.]

The WITNESS. And what's the question?

EXAMINATION BY MR. WILSON:

Question. Have you seen this—have you seen this letter before?

Answer. I don't believe that I did.

Question. Do you know whether this was a typical invitation sent out by Chairman Fowler?

Answer. I do not.

Question. Do you know who would approve the final version of a letter such as this?

Answer. I can't speak to that, because I wasn't at the DNC in September of 1995.

Question. Do you know whether a letter such as this was ever used, a form letter from the DNC was ever mailed out to people being invited to attend coffees?

Answer. I do not.

Mr. WILSON. Okay. I've marked this exhibit BJT–7, and I'm submitting that for the record.

[Thornberry Deposition Exhibit No. 7 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you know whether DNC employees attended any of the coffees?

Answer. I think from time to time Richard Sullivan may have attended.

Question. Do you know of anybody else from the DNC that might have attended coffees?

Answer. I don't.

Question. Do you have any knowledge of individuals linking contributions of money to attendance at a coffee with the President?

Answer. I do not.

Mr. WILSON. I would like to show the witness a document that is marked "DNC Finance Call Sheet"—headed "DNC Finance Call Sheet," and it's been premarked DNC 3098456.

EXAMINATION BY MR. WILSON:

Question. Have you ever seen this document before?

Answer. I don't think so. And I suspect that this is December 3, 1995, maybe. But, no, I don't remember seeing this document.

Question. Have you—have you had any subsequent conversations about any suggestions that a coffee might—one might attend a coffee with a $25,000 contribution to secure a trustee membership at the DNC?

Answer. No.

Question. Are you aware of anybody else that has had discussions on this subject?

Answer. No, I am not.

Question. Do you—do you directly—do you know whether it was suggested as a result of becoming a member of the trustee organization that one might be able to attend a coffee with the President?

Answer. I don't know that.

Mr. WILSON. I've marked this as BJT–8, and I submit that for the record.

[Thornberry Deposition Exhibit No. 8 was marked for identification.]

Mr. WILSON. I would like to give the witness another document, which is marked Monthly Event Breakdown by Principal and Type, and it discusses or outlines two coffees from January or February, presumably of 1996. This document has been marked CGRO-1913.

EXAMINATION BY MR. WILSON:

Question. Do you have any knowledge as to why the D.C. coffees would be included in this type of monthly breakdown?

Answer. I don't other than as a part of an overall strategy. I would also like to point out that this is dated prior to my arrival at the DNC.

Question. Have you ever seen breakdowns of this type before?

Answer. I—I don't—I don't remember this format, no.

Question. Do you recall whether DNC employees prepared memoranda or spreadsheets that projected income for the 1996 coffees?

Answer. Yes. I've seen spreadsheets such as that.

Question. Why was a revenue figure projected?

Answer. I think I've already answered that.

Question. My recollection of your answer was that your coffees were designed to encourage people to contribute. I think my specific question is do you have any knowledge of why somebody would establish a specific figure to be raised from particular coffee events?

Answer. I don't. I can only speculate about why it was done the way it was done.

Question. Do you have any ideas as to why it might be done?

Answer. I have already—I have already testified that the figures that were associated with the coffees were amounts of money that they would hope as a part of an overall fund-raising strategy to be able to achieve and allocate out how projections were going to be arrived at, that that's the reason it was done. But I did not prepare those spreadsheets.

Question. Have you ever seen financial spreadsheets of events, around coffee events, that lists—and this is a term of art—quote, in hand, quote, revenue from the coffees?

Answer. Yeah, I think I have.

Question. And do you know why there was a designation"in hand" for certain revenue?

Answer. I think I—I think I've answered that. I think I've—have answered that a couple of times.

Question. I would like—I would like to show the witness a memorandum dated 13 March, 1996. It's a memorandum to the President and the Vice President, and it's from Harold Ickes and cc's among other B.J. Thornberry. The first page of this is premarked CGRO-0039.

Answer. Is it——

Question. And if I could, I would like to direct your attention to the page that's marked 0048. And this appears to be a spreadsheet for the month of January 1996.

And what I'm most interested in is in the category that's marked "In Hand" at the top of the columns, there are designations for three coffees that were held on three separate dates, January 17, January 25, and January 26, and each has indicated as having $400,000 in hand. And my question is: Do you have any reason to doubt the accuracy of this document?

Mr. BALLEN. I—can you ask the witness whether she's ever seen this particular document before, before she comments on it?

Mr. WILSON. Well, I mean, I'll allow you to ask questions. I'll be finished very soon. But I'm showing her the document now, and she's examining it.

Mr. BALLEN. Then I'll object to the question then. You haven't established whether the witness has even seen the document let alone can attest to its accuracy or have any knowledge about the document to attest to the document. She's already testified she hasn't prepared any of these documents. She wasn't in the fund-raising department. She didn't participate in preparing the documents. I think only as a matter of fairness, before you ask the witness to vouch for it, if you could ask the witness some preliminary foundation questions. So that's the nature of my objection to that question.

EXAMINATION BY MR. WILSON:

Question. Do you know whether you've seen this document before?

Answer. I may have seen it. My name is on it, but I can't remember specifically that I—that I have seen this.

Question. Based on your review of the document just now, do you have any reason to doubt the accuracy of the document?

Answer. I don't have any way to judge that.

Question. Okay. I would like to refer you to another document at the same time. This is a document marked "Democratic National Committee Budget/Fund-Raising Presentation to the President on June 6"—"6 June 1996."

Do you recall whether you have received this document?

Answer. Yes, I did.

Question. Okay. When did you—when have you received this document?

Answer. Well, I attended the meeting.

Question. And was this document discussed at that meeting?

Answer. I don't—I don't recall that the document per se was discussed. The—everybody thumbed through this page by page by page.

Question. I would like to just address your attention again to the page that's marked 1798 in this particular production. And in this particular—on this particular one-page spreadsheet, which is marked for January, there again are "in hand" designations for the January 17, January 25, and January 26 coffees. And each has designated as $400,000 in hand. Is there—was there any discussion of the accuracy or inaccuracy of the financial data that was provided in these—in this report?

Answer. No.

Question. Was there any commentary at the meeting you attended about the fact that coffees are listed as raising $400,000?

Answer. No.

Question. Do you know why there are designations of $400,000 for each of these coffees? Have you had any subsequent discussions about this matter?

Answer. The—it's my understanding that this is what they hoped to generate as a result of using the coffees, as I have said, to motivate and invigorate the fund-raising base.

Question. If I could just direct your attention to the document we were previously examining and turn your attention to page 0041, there's a designation there for January deposits, and it lists under the major donor category, $2,347,087. And comparing that figure to the in hand financial figures from the document prepared for the President, there is very close listing for in hand power contributions, $2,259,557.

My question is if the coffees are said to have raised in hand $1.2 million from January, and the deposits reflect the deposit of that $1.2 million, was or was not money deposited reflecting the $400,000 from these spreadsheets?

Answer. I have—I have no way of knowing that.

Question. Do you know who was responsible for preparing the spreadsheets that were used in the report for the President?

Answer. It depends on, I think, what the spreadsheets are. If they deal with fund-raising, a financial summary would have been prepared by Brad Marshall. A fund-raising spreadsheet such as this would have most likely been prepared by Scott Freda, F-R-E-D-A.

Question. Do you know of anybody else that would be involved with the preparation of this particular memorandum to the President?

Answer. I'm not—I don't—I can't tell you that.

Mr. WILSON. I would like to—I am marking both of these exhibits for the record. The first is marked BJT–9, and the second is marked BJT–10, and both have been submitted for the record.

[Thornberry Deposition Exhibit No. BJT–9 was marked for identification.]

[Thornberry Deposition Exhibit No. BJT–10 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Do you have any knowledge of who was billed for expenditures for the coffees in the 1996 time period?

Answer. I assume the DNC was billed.

Question. Do you have any direct knowledge of——

Answer. I don't remember an invoice, but——

Question. Do you know if any photographs were taken during the coffees?

Answer. I don't know that.

Question. Do you know if any notes were taken during the coffees?

Answer. I don't know that. I didn't attend any coffees.

Question. Are you aware of any fax transmissions that were sent out to coffee participants by the DNC?

Answer. I had no relationship to the coffees.

Question. Were you—have you become subsequently aware of coffees that were hosted by the Vice President?

Answer. I have a general knowledge, but based on more on press accounts than I think—I think maybe the totality of my information is from press accounts.

Question. What were the membership requirements for the trustee program?

Answer. I can't tell you that. I just don't know that.

Question. Could you explain just very generally the restrictions that the DNC faces on their ability to spend contributions? Are there different categories of financial expenditures the DNC is permitted to make, the difference between soft and hard money?

Answer. You know, generally speaking, a—you know, we operate on a formula of—it's a cocktail, of hard and soft. You have to have so much hard to be able to spend the soft. And generally speaking, the Democratic National Committee, or the RNC for that matter, is able to spend money advocating generally positions of the party if it's not in power, or the administration if it is in power, and to support generic election activities that would encourage and motivate participation but not advocate directly the election of—of X for sheriff on Long Island.

Question. Was there a particular pressing need for one type of contribution over the other in the 1996 cycle?

Answer. Yes.

Question. And how did that—what was the—what was the need?

Answer. We were short of what's called—sometimes is called hard dollars, sometimes they're called Federal dollars, because of the—you have a ratio. You've got to be able to have X percentage of one fund to be able to spend the other. And because there is a strict limit on the dollar amount of hard dollars—there's a $25,000 yearly limit that an individual can give to candidates or committees. An individual can give $20,000 in hard dollars to the national committee. So they are scarce.

Question. Were specific efforts undertaken to raise hard dollars?

Answer. Yes.

Question. And how did that work?

Answer. Just the pricing of events that—and I am not an expert in this. But just how they would—the kind of event, the WLF, the Women's Leadership Forum, generated, 97 percent of their money was hard, because it was lower dollar contributors. Saxophone Club. So there were strategies, yes, to have events that would bring in those hard dollars. Direct mail is all hard.

Question. Is the DNC able to donate money to political PACs?

Answer. I—I'm sorry, I don't—I—you know, there—I'm not a lawyer. I'm not an FEC lawyer, but that's why I have general counsels.

Question. Are you familiar with Emily's List?

Answer. Generally, yeah.

Question. And what does it do?

Answer. It is—it supports generally women candidates, but I don't think exclusively.

Question. Is that a formal relationship with the DNC?

Answer. No. I don't think so.

Question. Would—were there any official steps taken to recognize contributors to Emily's List for DNC perks?

Answer. I don't know that.

Question. Have you had any conversations with DNC employees relating to Emily's List?

Answer. I had conversations related to training, to doing some—I don't know that it was joint training. I don't think it was joint training, but to make sure that we weren't duplicating efforts. And there may have been—well, I vaguely remember some discussion about the thought of doing a joint event, but that's a very vague recollection, between Emily's List and the Women's Leadership Forum.

Question. I would just like to show you a memorandum to yourself, among others, from Harold Ickes, dated June 18, 1996, and premarked DNC 3116384. And it mentions that there was an understanding, an understanding that there was an agreement that there was to give $100,000 to Emily's to be treated the same as DNC trustees, and it refers to possible problems. Do you recall seeing this document?

Answer. You know, I vaguely recall this. You know that the—I don't—the document makes me remember that, you know, there was some discussion about this, but I don't frankly remember the disposition of this.

Question. Do you recall whether you responded to Mr. Ickes?

Answer. I don't remember the disposition——

Question. Okay.

Answer. Of it.

Mr. WILSON. I marked this document BJT–11 for the record and submit it for the record.

[Thornberry Deposition Exhibit No. BJT–11 was marked for identification.]

EXAMINATION BY MR. WILSON:

Question. Are you familiar with the National Coalition of Black Voter Participation?

Answer. I am generally familiar with them.

Question. And what is the organization?

Answer. I believe that they are an organization that is focused on—at voter registration in the African-American community.

Question. Did the—do you have any knowledge of DNC employees recommending that individuals contribute directly to the National Coalition of Black Voter Participation?

Answer. That may—I don't specifically remember the National Coalition of Black Voter Participation.

Question. Do you recall any other interaction with not-for-profit organizations?

Answer. We were involved in some direct donors to voter registration projects, which, I might add, is perfectly legal.

Question. Who was the principal at the DNC who would have interacted with the not-for-profit organizations?

Answer. It was probably Greg Moore.

Question. Did anyone in your direct office interact with not-for-profit organizations?

Answer. What do you mean by my direct office? You mean the people in my group?

Question. The people you work with most closely.

Answer. No. I mean, I saw a list of potential voter registration projects, but I don't know that anybody else in my office saw it.

Question. And who is Greg Moore?

Answer. He was deputy political director during the '96 cycle.

Question. Are you familiar with the Defeat 209 organization?

Answer. Only very generally.

Question. And what is your knowledge of that organization?

Answer. That it was trying to defeat the 209 proposition in California.

Question. Were—did your—did you know of any contacts between the DNC and the Defeat 209 organization?

Answer. I don't know of any specific contacts between that organization and the DNC. I know that there was some outreach from that effort, but I don't know the specifics of that.

EXAMINATION BY MR. WILSON:

Question. Do you know who at the DNC would have been involved?

Answer. Minyon Moore.

Question. Do you know if anybody at the DNC would have had—did have any interactions with the Vote Now '96 organization?

Answer. It would have been those same two people if there was.

Question. And also——

Answer. This activity and conversation is perfectly legal, I want to add, between these organizations and the DNC, as long as the DNC does not direct their activities.

Question. I am not making any suggestion that it isn't.

Answer. I just want to be clear.

Question. That is perfectly acceptable. Are you familiar with the DNC Party Political Committee?

Answer. Nope.

Question. Okay.

Answer. Is "nope" acceptable, or do we just do no?

Question. Do you know of anybody at the DNC contacting Mr. Harold Ickes directly about not-for-profit organizations and contributions to not-for-profit organizations?

Answer. I don't.

Question. Are you aware of anybody from the DNC contacting Warren Medoff, M-E-D-O-F-F?

Answer. I am not. Now, let me caveat that by, I don't believe so. The only person that might have had contact was the chairman, Chairman Fowler, and I do not believe he did.

Question. Have you had any—do you know Mark Middleton?

Answer. I don't know him.

Question. Have you had any conversations with Mark Middleton?

Answer. I have not.

Question. Do you know of any requests that have come from Mark Middleton to your office?

Answer. I don't, I don't remember any.

Question. Do you know if Mr. Middleton served in any capacity on the DNC in 1996?

Answer. Well, you know, we looked—somebody asked us that question, and I don't remember what the answer is.

Question. Do you know of any situations in which the DNC made commitments to provide direct donations to specific candidates and organizations, or organizations in exchange for contributions to the DNC?

Answer. No, I do not.

Question. Are you aware of any directed donor activities involving union or union-controlled PACs?

Answer. No, I don't think so.

Question. Are you familiar with The Share Group, S-H-A-R-E?

Answer. They are a vendor with our direct mail program.

Question. And have you had to work specifically with them?

Answer. Just trying to get them paid. No, I don't have any direct contact with the direct mail vendors or any other vendors.

Question. What is their relationship with the DNC?

Answer. They are a vendor.

Question. And what are they vending?

Answer. I don't know. They do—they provide some service to direct mail.

Question. Are you familiar with an organization called the November Group.

The WITNESS. Excuse me, can I ask who the latest group is here?

Mr. MOSCHELLA. We are attorneys with the Majority counsel.

The WITNESS. But don't I have a right to know who they are?

Mr. BOSSIE. Dave Bossie, B-O-S-S-I-E.

Mr. MOSCHELLA. William Moschella, M-O-S-C-H-E-L-L-A.

Mr. DHILLON. Uttam Dhillon, I will give you my card.

EXAMINATION BY MR. WILSON:

Question. Are you familiar with the November Group?

Answer. Yeah.

Question. Do you know what they do?

Answer. They did media.

Question. And what is the relationship between the November Group and the DNC?

Answer. Well, I don't know if I know that. I don't know that I can describe what that is.

Question. What has your involvement been with the November Group?

Answer. Well, I don't—you know, I know the name November Group, but I can't even remember who that incorporates. I think that it is Squier, Knapp, and Morris, but I don't know that for sure.

Question. Do they provide telemarketing services for the DNC?

Answer. I don't think they ever telemarketed for the DNC.

Question. Do you know Martin Davis who is with the November Group?

Answer. I don't.

Mr. WILSON. That concludes my questioning of the witness.

If we could go off the record for just a moment, please.

[Discussion off the record.]

The WITNESS. Am I responding to you now?

Mr. BALLEN. You are responding to me now. So if you want to turn your chair around and be a little more comfortable, then you can——

Mr. BRAND. Then you can't see me.

Mr. BALLEN. I will be about 5 minutes.

First of all, I want to thank you very much on behalf of the committee for coming forward today. We have been here now, it is 10 after 2:00 and we started at 10:00 and we have gone without a lunch break and you have been here for 4 hours testifying, and we appreciate the effort involved in that. I know that it is not an easy experience to sit through a deposition.

EXAMINATION BY MR. BALLEN:

Question. You are not a fund-raiser; are you?

Answer. No, I'm not.

Question. In fact, you were never a fund-raiser at the DNC?

Answer. No.

Question. Your responsibilities were not to run the finance department; were they?

Answer. That's correct.

Question. You didn't organize fund-raising events, maintain lists of contributors, solicit contributions; did you?

Answer. That's correct.

Question. In fact, your position was an administrative position to deal with personnel problems, budgeting, cash flow and issues of the like; is that correct?

Answer. That's correct.

Question. And you are not a lawyer either; are you?

Answer. I am not and proud of it.

Question. You have no legal training?

Answer. I do not.

Question. Your knowledge as to legal requirements comes from others?

Answer. That's correct.

Question. And while at the DNC, you have a general counsel that you consult with periodically to find out legal matters; is that correct?

Answer. I do.

Question. So when you testified as to legal or fund-raising matters before the committee today, this was not directly related to your responsibilities or your actions as DNC executive director; is that correct?

Answer. That's correct.

Question. There are some questions that Mr. Condit from California, one of our Members wanted to ask, as I did as well.

Have you been asked by any other official investigative body to testify to provide evidence on any of the fund-raising or other matters being investigated by this committee?

Mr. BRAND. I am going to object to that question. I just don't see what relevance that has to any of this as to whether she has been subpoenaed or called to testify anywhere else, especially with respect to nonlegislative branch inquiries.

Mr. BALLEN. Well, can I ask a question as to the legislative branch?

Mr. BRAND. Sure.

EXAMINATION BY MR. BALLEN:

Question. Have you been questioned by any other—the Senate of the United States?

Answer. I have given a deposition.

Question. And did you provide documents to the Senate?

Answer. Yes. And I just want the record to state I am here voluntarily, I was not compelled, nor was I compelled in the United States Senate.

Question. Can you estimate how much of your time has been spent in responding to requests from this committee for testimony, information, and documents?

Answer. We have 13 separate subpoenas. Since October of 1996, probably 65 percent of my time has been spent—you know, it is hard for me to break down, but on related to these matters.

Question. Since October, 65 percent of your time approximately has been spent responding to all of the various inquiries?

Answer. Well, just the whole—yeah, I mean, let me be clear. We have gone through a whole variety of document productions. It is hard for me to break down the time spent in isolation on the House. All I can tell you is that we are simultaneously at the DNC responding to 13 separate subpoenas and the demands of that and the press inquiries surrounding this matter.

Question. In relation to your testimony, has the testimony you have given here today been in substance similar to the testimony you gave before the Senate?

Answer. That's correct.

Question. And have you taken time from your job, your personal job to respond to the depositions that you have to undertake here?

Answer. Yes.

Question. Have you incurred expenses, or has your employer incurred expenses in relation to these activities?

Answer. Yes.

Question. Has the committee offered to reimburse you or your employer for the expenses incurred?

Answer. I'm indemnified.

Question. Do you know whether or not you or your employer will seek reimbursement from the committee for these expenses?

Answer. I do not.

Question. So has this—you would—would it be fair to state that this entire proceeding has been both a burden for you personally and for your employer, or how would you characterize it? Let me ask you to characterize what you are going through.

Answer. I mean, I—you know, this is not what I went into public service for.

Mr. BALLEN. Thank you very much.

Mr. WILSON. I have three more questions.

EXAMINATION BY MR. WILSON:

Question. Did you provide personal documents to the Senate?

Answer. I have provided everything that has been requested. I mean, I don't know what you mean by "personal."

Question. Have you provided documents that are not taken directly from your office or from DNC files to the Senate?

Answer. I have provided everything that is responsive. I don't know what you mean.

Question. Well, have you provided to the Senate papers or documents that you keep in your house?

Answer. I don't keep those kinds of documents in my house.

Question. Do you know Skip Rutherford?

Answer. I know his name; I do not know him.

Question. Is Skip Rutherford a DNC employee?

Answer. I think he was a consultant during the '96 cycle.

Question. And do you know what services he performed for the DNC?

Answer. He was a specific consultant on Arkansas.

Question. Do you know what his function was, what he particularly did during the '96 cycle?

Answer. I do not.

Question. Do you know what his salary was?

Answer. I am—it was contract, and I'm sorry, I can't remember specifically.

Question. Do you know Tony Rodham?

Answer. I know the name.

Question. Is Mr. Rodham a DNC employee?

Answer. Yes.

Question. Do you know what he does for the DNC?

Answer. He provides various consulting services.

Question. Do you know specifically what consulting services he provides?

Answer. From time to time he acts as spokesperson for the DNC and acts as a liaison to the business community.

Question. Who does Mr. Rodham work with at the DNC?

Answer. I don't know that.
Question. Do you know who Mr. Rodham's supervisor is?
Answer. I don't know that.
Question. Do you know if Mr. Rodham has an office in the DNC building?
Answer. As far as I know, he does not.
Mr. WILSON. I would like to thank you very much for taking the time out today. I have no further questions.
The WITNESS. Thank you.
Mr. BRAND. Okay.
[Whereupon, at 2:20 p.m., the deposition was concluded.]

[The exhibits referred to follow:]

LEGAL OVERVIEW FOR CAMPAIGN STAFF

Prepared for DNC Training Academy, 1995-96 Cycle
Joe Sandler, General Counsel, DNC (202) 863-7110
Neil Reiff, Deputy General Counsel, DNC (202) 479-5111

Note: The legal issues reviewed in this outline are complex. This overview should not be construed as legal advice or opinions on specific facts. Campaigns are strongly encouraged to retain an attorney. DNC counsel are available to all Democratic campaigns for specific occasional questions and to recommend counsel.

I. THE BASICS OF LEGAL COMPLIANCE

A. Why it matters

1. Your opponents are looking to catch your campaign in a violation.

2. In the current atmosphere, the press is looking to cover ethics/campaign finance violations. And they always devote a lot more coverage to the charges than to the outcome, so the key is to avoid giving the opposition any excuse to level charges to begin with.

3. The FEC and state election authorities, and other agencies, are getting stricter about enforcement and levying heavier penalties. And legal fees divert precious campaign resources.

4. Knowing how to use the rules will enable you to spend your campaign's resources more efficiently.

5. Knowing the rules will enable you to do more effective opposition research--catch your opponent in a violation instead of having it done to you.

B. How you do it

1. Get a lawyer! At least have someone on call for specific questions/problems. If you don't know who to ask, call us.

2. Get a working knowledge of the basic issues and problem areas--that's what this outline is for.

3. If you don't know, ask. Never assume. The rules often don't make sense, they change often and even when the written rules don't change, agency/press/public interpretations/spin often do.

DNC 1485568

4. Hire a competent compliance person to be responsible for screening and processing contributions, recordkeeping and filing reports with the FEC (or state authorities). Don't rely on volunteers unless the person has proven ability. This is not an area in which to scrimp.

II. FEDERAL ELECTION COMPLIANCE

Contributions to and spending by campaigns for U.S. Senate and House are governed by the Federal Election Campaign Act and the rules of the Federal Election Commission (FEC).

A. Registration

1. Raising or spending over $5,000 makes the person a "candidate".

2. Money spent on "testing the waters" doesn't count.

   - But contributions raised are still subject to federal limits and prohibitions.

   - If person becomes a candidate money raised to test the waters must be reported.

   - Testing the waters is activity such as polling, travel, etc. to determine whether to run--not actively promoting candidacy.

3. Once a person becomes a "candidate"

   - Within 15 days, must file Statement of Candidacy, designating principal campaign committee, with Secretary of Senate or Clerk of the House, and Secretary of State.

   - Within 10 days after that, must register with FEC by filing Statement of Organization with Secretary of Senate/Clerk of House, and Secretary of State.

B. Contributions--Limits and Restrictions

1. Individuals: $1,000 per election

   - Individuals can contribute $25,000, in the aggregate, to all federal candidate and committees, per calendar year. Contributions to candidates count in the year of the election.

2. Federal PACs that are multi-candidate: $5,000 per election.

3. Primary and general count as separate elections.

- After the primary, campaign cannot receive contributions for the primary unless it has a debt=outstanding debts and invoices the day after the primary election minus the same day's cash on hand.

- After the primary, can only raise primary contributions sufficient to pay off that debt.

4. Candidate can contribute unlimited personal funds to his/her campaign.

- Must be assets over which candidate himself or herself has legal control. Includes income from trusts, interest, dividends and bequests.

- If candidate has property or assets that are jointly owned by his or her spouse, only half may be utilized by the campaign (without limit).

- Candidate can loan money to his/her campaign, at commercially reasonable rate of interest. If transfer is first reported as a loan, candidate can forgive it (assuming above conditions are met).

5. Minors: must be made knowingly by the minor and from the minor's own funds.

6. State officials running for federal office: cannot transfer any funds from a state campaign to a federal campaign, no matter where those funds came from.

7. Prohibited contributions:

- Corporations
- Labor unions
- Incorporated trade associations and membership organizations--e.g., non-profit organizations. (Note: these groups can form federal PACs, who can give, but the organizations themselves cannot give their own money).
- Foreign nationals (must be citizen or hold green card)
- Federal government contractors.

8. Partnership contributions: $1,000 per election plus counts against partners' individual limits in accordance with partnership interests unless partners agree to divide the contribution some other way.

9. In-kind contributions: anything of value receive by the campaign, for less than full market value, is a contribution, subject to all of the above.

- Be especially careful about free cars and planes, and free or reduced rent for offices--these are in-kind contributions, and if accepted from a company, (the usual case) are illegal. (See also below re working with corporations and labor unions)

- Corporate/union planes: must pay company/union equivalent first-class air fare up front.

- Exceptions: volunteer can spend up to $1,000/year of her own funds on transportation; individual can host event in her home and spend up to $1,000, does not count as contribution.

10. Loans--must be from a bank on normal commercial terms, or else counts as a contribution.

C. Fundraising and Handling Contributions

1. Disclaimers--all materials that solicit money must say

- "Paid for by [official name of candidate's committee]"

- "Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of $200 in a calendar year."

- Solicitation must request donor to provide occupation and employer (and see best efforts rules, below).

- "Contributions to [name of committee] are not tax deductible." Must appear in same size type as primary message and on the same side. Required by IRS rules.

2. Cash contributions: limited to $100. Must have record of name, address amount & date of contribution.

3. Anonymous contributions: limited to $50.

4. Checks-- Husband & wife can give $2,000 per election, in one check, if from joint account and both husband & wife sign the check.

- If only one has signed, can ask contributor to reattribute half the

contribution to his/her spouse. Must be in writing, signed by spouse, within 60 days of receiving contribution.

5. Checks--primary and general: One check can be sent for $2,000, with $1,000 designated for the primary and $1,000 for the general.

- If undesignated, a contribution automatically counts towards the next election (after the date contribution is made).

- If an undesignated check for $2,000 comes in (or $4,000 from husband and wife), donor(s) can redesignate $1,000 (or $2,000 from husband/wife) to a different election. Must be in writing, signed by contributor and done within 60 days of receiving contribution.

6. "Earmarked" or "bundled" contributions: a check made payable to the campaign, but sent by the donor physically to some other person or entity (the "conduit") who then turns it over to your campaign.

- Conduit must turn over contribution to the campaign within 10 days of getting it.

- Contribution counts towards the donor's limits--the person who wrote the check--not the conduit's.

- Conduit must be disclosed on FEC report, as well as the donor.

- Prohibited sources cannot serve as a conduit.

7. All contributions must be attributed to the person or entity who actually provides the funds. Making or accepting a contribution from someone where someone else provided the funds **is a very serious offense--often resulting in criminal liability**. This applies to any attempt by a corporation (or incorporated organization) to reimburse an employee or someone else for a contribution.

8. If the legality of a contribution is questionable, the campaign must determine its legality within 30 days of deposit, or refund it. If the campaign learns after depositing the check that it is illegal, the campaign has 30 days to refund the check.

loans

D. Spending Campaign Funds

1. Campaign funds must be spent only for purposes related to the campaign.

2. Excess funds and assets from primary campaign can be used without limit for general election campaign (as long as primary does not have debt)

3. Excess campaign funds (i.e., campaign does not go into debt) can be donated without limit to national and state party committees and charities.

4. "Personal use" rules: candidate cannot use campaign funds to fulfill any obligation or expense that would exist irrespective of the candidate's campaign. Examples of what cannot be paid include:

- Costs of residence and food for candidate or spouse.
- Mortgage, rent and utility payments on a residence, even if used by the campaign.
- Dues to any country or health club.
- Payment for admission to events, concerts, theater, etc., unless part of a specific fundraising activity.
- Payment of salary to any family member, unless family member is providing bona fide services to campaign. FEC has been unable to agree on whether campaign can pay salary to candidate himself.
- Legal expenses--must be reasonably be related to campaign. Members of House and Senate can set up legal defense funds in accordance with ethics rules.
- Travel--for mixed campaign/personal travel, candidate must reimburse the campaign within 30 days for applicable share. Note complex relation to House/Senate ethics rules regarding officially connected travel.

5. Disclaimers: All stationery, materials, literature, etc. must have disclaimer: "Paid for by [name of authorized committee]."

- Must be "clear and conspicuous".
- Exceptions: small items such as bumper stickers, buttons, pens.
- TV & radio spots: Must have above disclaimer. In TV spots, must be at least 4% of vertical picture height, for at least 4 seconds, at the beginning or end of the spot. (FCC rules).

- Remember IRS disclaimer for fundraising solicitations!

E. Recordkeeping and Reporting

1. Recordkeeping

(a) Receipts

- Record must be kept for all contributions over $50, of donor's name and address.

- For contributions over $200, must get donor's occupation and employer.

- "Best efforts:" If donor does not identify occupation or employer, a second request (oral or written) must be made and documented within 30 days. When additional information is received, amended reports must be filed with the FEC no later than the due date of the next report.

(b) Disbursements

- All disbursements over $100 must be made by check.

- Record must be kept of amount, date, name and address of person or company being paid, and purpose for all disbursements.

- For disbursements over $200, you must keep receipt, invoice or cancelled check.

- Disbursements under $100 can be made using a petty cash fund; but record must be kept as above.

2. Reporting

(a) What: reports must be filed on FEC forms or using software generating forms approved by FEC.

(b) On reports, campaign will be required to itemize:

- All contributions in excess of $200 per year from any one individual or PAC.

- All disbursements in excess of $200 per year.

- Loans from any source.

- Debts--any obligation over $500 or any debt under that which is more than 30 days due.

(c) When: for 1996
April 15, 1996 (covering through 3/31/96)
July 15, 1996 (through 6/30/96)
October 15, 1996 (through 9/30/96)
October 24, 1996 (through 10/16/96)
December 5, 1996 (through 11/25/96)
Jan. 31, 1997 (through 12/31/96)

- 48 hour reports: within 20 days of any election, each contribution of $1,000 or more must be disclosed within 48 hours of receipt on special FEC form.

- Primary-- campaign must file pre-primary report--varies depending on date of primary.

(d) Where: File with Secretary of Senate or Clerk of the House.

F. Support from Party Committees

1. House candidates:

- National and state party committees can each contribute $5,000, in cash or in-kind, per election.

- DCCC can expend up to specified amount (about $31,000 for 1996) on behalf of House candidate (441a(d)).

2. Senate candidates:

- DNC and DSCC combined can contribute $17,500 in cash or in kind, for all elections. State party can contribute $5,000 per election.

- DSCC can spend specified amount directly on behalf of candidate--amount varies from state to state (441a(d)).

3. House & Senate candidates: state parties can pay for certain "exempt activities" including--

DNC 1485575

- Mailings handled by volunteers and literature and visibility distributed by volunteers, if certain conditions are met.

- Distribution or mailing of slate cards.

- No limit on what state parties can spend under these exemptions. See separate outline on legal framework for coordinated campaigns.

4. State party cannot lend its nonprofit postal permit to any candidate, but can use the permit to make mailings for a candidate with state party's own funds.

G. Working for incumbents

House and Senate ethics rules are complex. A few very basic points:

1. Staffer may work on Member's campaign on his/her own time, volunteering services. Note: cannot lay out personal funds for campaign expenses beyond FEC exemptions.

2. Annual leave, vacation and personal leave may be used to work on campaign for pay (by the campaign).

3. Official office space, equipment and supplies cannot be used for campaign purposes. Cannot install campaign equipment in House or Senate office.

4. Cannot use campaign mailing lists on any House or Senate facilities.

5. Staff members cannot contribute to Member's campaign. Staff cannot solicit other staffers or any federal employee for a contribution.

6. No funds can be solicited or received in any federal or congressional office building. If unsolicited contribution is received in Senate or House office, must be forwarded to campaign within 7 days.

7. Special Senate rule: Senator may designate up to 3 paid staffers to solicit and handle campaign funds. Other paid Senate staff cannot solicit or handle funds at all, even on their own time.

III. HOW OTHER ORGANIZATIONS PLAY--FOR AND AGAINST YOUR CAMPAIGN

A. Working with corporations and labor unions

DNC 1485576

10

1. Corporations and unions can communicate with the general public about candidates and issues as long as they do not "expressly advocate" the election or defeat of a candidate

(a) The idea is that corporations and unions have a constitutional right to engage in issue advocacy, including criticizing or praising elected officials, who are or may be candidates, for their positions or actions on issues and legislation. The "express advocacy" standard is supposed to distinguish such protected issue advocacy from political "express" advocacy of the election or defeat of a candidate, which the federal law can prohibit such groups from doing.

(b) The FEC defines "express advocacy" to include not only language including such phrases as "vote for" or "against", but any language which

when taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat [of a candidate] because--
-- the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and
-- reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action,

such as contacting a legislator to approve or disapprove of her position on a legislative issue.

(c) Corporations and unions can pay for communications to the general public (advertising, voter guides, voter registration materials) talking about candidates if the language falls short of "express advocacy". In other words, it's okay if the language criticizes or praises candidates for their positions on issues in a way that suggests the reader is supposed to contact them about the issues, rather than vote for or against them.

(d) But these communications cannot be coordinated with any candidate or political party. If communications are coordinated, they count as an illegal corporate contribution, under FEC rules--even if they do not meet the "express advocacy" standard.

DNC 1485577

2. Specific activities directed to the general public:

(a) Can distribute voter registration information, as long as it does not include express advocacy

(b) Voter guides:

- Can say anything short of express advocacy if there is no contact whatsoever with any campaign or party or

- Can ask for written responses from candidates, but then all candidates must be included and voter guide must be more neutral--no electioneering message

(c) GOTV: must not include express advocacy and cannot be targeted to supporters of a candidate or to members of a particular party, and cannot be coordinated with candidate or party

3. Corporations can use their own funds to expressly advocate election or defeat of candidates only in communications to their own stockholders and administrative and executive personnel; unions can do the same, to members of the union and their families

(a) Candidate can appear on corporate premises to meet above persons; if introduced to other employees, must be on nonpartisan basis.

(b) Use of corporate or union facilities by candidate/state party must be reimbursed at usual and normal commercial rate.

(c) Corporate employees may volunteer for candidate/party on their own time and make "incidental, isolated or incidental" use of their offices; corp. must be reimbursed for increased overhead.

(d) Unions can allow candidate to address its members at a meeting, convention or other union function. Can be completely partisan.

(e) Union can pay for phone banks directed at its own members and their families, expressly advocating election of a particular candidate

(f) Use of union facilities (e.g., phones) by party/campaign for general campaign activity directed at public (e.g. phone banks) must be reimbursed at usual and normal commercial rate

time and make "incidental, isolated or incidental" use of their offices; corp. must be reimbursed for increased overhead.

(g) Special, more restrictive rules apply to use of corporate or union facilities for fundraising.

B. Working with (and against) non-profit organizations

1. Tax law rules--overview

(a) 501(c)(3) organizations

- Contributions to organization are tax-deductible.
- Cannot engage in any partisan activity whatsoever.
- Can lobby on issues, but limited.
- Can engage in nonpartisan voter registration and GOTV under strict IRS guidelines/ should be no contact with candidate or party on how or where.
- Churches are 501(c)(3)'s; distribution of voter guides that are in fact partisan is a violation of tax status.

(b) 501(c)(4) organizations

- Contributions are not tax-deductible.
- Can lobby freely on issues.
- Can engage in political/partisan activity (subject to campaign finance rules) but may face special tax for doing so.
- Political activity cannot be "primary purpose" of the organization.

2. FEC Rules

(a) In general, incorporated membership organizations cannot use their own funds for communications that "expressly advocate" the election or defeat of any federal candidate or candidates of an identified political party--all of rules applicable to corporations and unions apply (see above).

DNC 1485579

(b) Incorporated membership groups can send communications to their own members "expressly advocating" the election or defeat of candidates--in other words, with communications to members, anything goes.

(c) A (c)(4) can conduct voter registration or GOTV as long as any communications it makes or distributes in trying to register people do not "expressly advocate" the election or defeat of any candidate and its activities are not coordinated with any candidate or party (see rules for corporations and unions above).

(d) Certain "ideological" corporations are allowed to make independent expenditures that "expressly advocate" the election or defeat of candidates. To qualify for this special exemption, an incorporated group--

- must have been founded for the purpose of promoting political ideas, rather than engaging in business activities, and must not engage in business activities

- must not offer incentives, such as credit cards, insurance, etc., that might make people want to stay as members if they disagree with the group's position on issues; and

- must not accept contributions from business corporations.

C. Independent expenditures

1. Individuals and PACs can make unlimited independent expenditures to support or oppose a federal candidate. Contributions and expenditures must be reported to the FEC and contributions are subject to all federal limits and restrictions.

   - Independent expenditure committees and other PACs can accept $5,000/year from an individual or another federal PAC.

2. Such efforts must be truly independent.

   - Cannot be coordinated in any way with the candidate, campaign or any agent of the campaign; based on any information about the campign's plans or needs provided by any agent of the campaign; or made by anyone associated with the campaign.

- Use of common consultants, employees, etc. raises presumption of coordination.

IV. STATE CAMPAIGN FINANCE LAW

A. Basics

1. Contributions to and expenditures by state and local campaigns are governed by state laws, which vary widely.

2. Some states have practically no restrictions, while others have highly restrictive schemes similar to federal law.

B. Issues-- here is a brief checklist of what you need to find out in your state

1. From what sources are contributions permissible?
   - Corporations?
   - Labor unions?
   - State-registered PACs?
   - Restrictions on giving by state-regulated entities, e.g., casinos or utilities?

2. What are the limitations on contributions to your campaign from each of the above sources?

3. When is your campaign required to register with state authorities, and with what forms?

4. What are the duties of the treasurer?

5. What are limits on cash and anonymous contributions?

6. What are disclaimer requirements for fundraising solicitations and campaign materials and advertisements?

7. Are there restrictions on earmarking and bundling?

V. MEDIA AND COMMUNICATIONS

A. Access to Broadcast Stations

1. Reasonable access: a station can have its license revoked for repeated and

DNC 1485581

willful failure to permit purchase of reasonable amounts of time.

- Applies only to federal candidates.
- Applies 45 days before primary and 60 days before general.
- Station must make commercial time available in same types, classes and lengths of program time available to commercial advertisers.
- Stations can refuse to sell time during news programs.

2. Payment: Stations can require federal candidates to pay no more than 7 days in advance of the 1st spot in the week's schedule.

3. Lowest unit rate: Within 45 days of primary and 60 days of general, station must charge candidate lowest unit rate for same class and amount of time for the same period.

(a) Applies to state and local as well as federal candidates.

(b) Defined by three basic criteria:

(i) Class (see below)
(ii) Unit of time (length of spot)
(iii) Period--what time of day

(c) Stations are permitted to have a number of classes of time, which makes application of the rule extremely complex:

- Fixed position--guaranteed to run at certain time
- Non-preemptible-- Can run at any time during designated period but cannot be bumped.
- Preemptible with notice-- can be preempted with notice, sometimes with opportunity to pay higher price
- Run of schedule-- can be scheduled any time and preempted without notice.

(d) Stations can create different classes of immediately preemptible time, with different probabilities at different prices.

(e) Theoretically stations are not supposed to charge candidates more for non-preemptible time when valued commercial advertisers who buy preemptible time in fact rarely or never have their spots preempted--but this can be extremely difficult to analyze and detect.

DNC 1485582

(f) Different rotations if objectively and fairly defined and applied, count as different periods of time.

(g) Stations are supposed to make complete disclosure to candidates of all the different classes and rates, including probability of preemption, and all varieties of discount packages and deals made available to commercial advertisers.

(h) Push your media buyer to make sure they find out everything possible and do not get taken advantage of!!

4. Equal opportunities doctrine

(a) Applies to state and local as well as federal candidates.

(b) Triggered by your opponent's "use" of a broadcast station, which is defined to mean any positive appearance, by picture or voice, of the candidate, whether or not voluntary or authorized by the candidate.

- A use can be paid advertising or a program, and includes ads where the store owner appears and is running for office, ministers on church programs, talk show hosts who become candidates, etc.

(c) Exemptions:

- Bona fide newscasts.
- Bona fide news interviews (including interviews on segments of entertainment and talk shows).
- News documentaries.
- On the spot coverage of bona fide news events (which includes most debates).

(d) When opponent makes a "use," your campaign must request equal opportunities within 7 days of that use--& should be made in writing.

(e) Your campaign is then entitled to equal opportunity, which means equal as to cost (free for free), no discrimination in rates and charges for paid uses, and comparable part of day and length of time.

- Station does not have to offer identical program or time of

day.

- Other factors, e.g., format, should be considered.

Political File

B. Fairness, libel and slander

1. There is no more "fairness doctrine" that required broadcasters to afford reasonable opportunity for presentation of contrasting views on issues of public importance.

2. Several narrow doctrines remain (in addition to above):

(a) "Zapple Doctrine"--When supporters of a candidate buy time to advocate candidate's election or defeat of opponent, the opponent's supporters must be offered an opportunity to buy time to respond.

- Applies 45 days before primary and 60 days before general election.

(b) Political editorials: An official station editorial that endorses or opposes a candidate requires notification to the candidate opposed, within 24 hours, offering an opportunity to respond, for free, for a comparable time period at a comparable time of day.

(c) Personal attack rule: If the honesty, character or integrity of a person or group is attacked--

- during a program that is a presentation of views on a controversial issue of public importance (can include a paid issue advertisement)

- where the attack is made by someone other than another candidate or persons associated with the candidate in the campaign

- then, person or group attacked must be notified by the station, within a week, and provided an opportunity to respond, for free.

3. Libel and slander:

(a) Generally, candidates are "public figures" which means that, in general, they cannot successfully assert a claim for libel or slander unless they can show that the statement was made with "actual malice"-- meaning with actual knowledge that it was false or reckless disregard

State laws
- Minn
- Ohio
pass muster

for whether it was false or not.

(b) Private persons who have not injected themselves into a campaign or public controversy do not have to meet this standard--a libel action can be brought based on simple negligence, that is, the statement was false and the person who made it did not use ordinary care in determining its truth.

(c) "Public figure" standard will often apply to groups who inject themselves into political or issue debates-- but be careful about naming purely private groups and individuals who get caught up in a situation. Depending on facts and circumstances, the lesser standard could apply.

VI. TAX ISSUES

A. Tax status of campaigns

1. Campaigns are exempt from tax as political committees under section 527 of the Internal Revenue Code.

(a) File Form 1120-POL due March 15 each year.

(b) Generally no tax is due on contribution income as long as all expenditures are for campaign purposes.

- Sales of campaign materials as a premium for donations do not result in taxable income but

- Sales of other items or business ventures (e.g., affinity cards) if not structured properly may result in taxable income.

(c) Tax is due on interest earned on funds and other "non-exempt" income.

(d) Generally campaigns are not exempt from sales tax in their states.

B. Campaigns as employers

1. Do not retain people as consultants rather than employees unless they truly meet most of the key IRS criteria:

- Have their own office-- i.e., does not work only in the campaign's

offices.

- Limited duration of contract (i.e,. not indefinite).
- Allowed to and does work for other clients besides the campaign.
- Does not supervise employees of the campaign.
- Does not use, as assistants, employees of the campaign.
- Written contract.

2. For all employees, remember to file and obtain:
   - Income tax withholding (federal and state)
   - FICA/Medicare tax
   - Workmen's Compensation
   - FUTA
3. Paying election day workers:
   - Payments to individuals in excess of $100 per year require payment of FICA
   - Payments in excess of $50 per year require payment of FUTA
   - Distributors may be considered employees, subject to income tax withholding, if careful records are not kept.

LEGAL FRAMEWORK FOR STATE PARTIES

Prepared for ASDC Spring 1995 Retreat, Chicago
April 1, 1995
Joe Sandler, General Counsel, DNC 202-863-7110
Neil Reiff, Deputy General Counsel, DNC 202-479-5111
Karl Sandstrom, General Counsel, ASDC 202-479-5121
Jane Hedgepeth, Chief Financial Officer, Texas Democratic Party
512-478-8746

I. THE BASICS

A. State parties must maintain separate federal and non-federal bank accounts

1. Federal account--contributions subject to federal law

2. Non-federal account--contributions subject to state law

B. Expenditures--2 issues

1. Do we have the legal ability to spend this money without violating any contribution or expenditure limit?

2. If so, what kind of money do we use to pay for it--how much federal, how much non-federal?

C. Coordinated campaign is legally just a project of the state party--no separate legal identity

II. CONTRIBUTIONS TO FEDERAL ACCOUNT

A. Federal account can accept contributions from:

1. Individuals to state party: $5,000 per calendar year

   • Individuals: $25,000 per calendar year aggregate to all federal candidates and committees.

   • Contributions to state party always count in calendar year of contribution

   • Contributions to candidates count in calendar year of election

2. Federally-registered PACs to state party: $5,000 per calendar year

- Note: state PACs are not federally registered

3. Transfers from DNC Federal account: unlimited, but note "transfer down" restrictions below.

4. Transfers from:

- ASDC Dollars for Democrats: unlimited
- Democratic State Party Victory Fund: unlimited

5. Contributions from federal candidates:

-- $5,000 but
-- Unlimited if "excess campaign funds" (no debt) or
-- As compensation for goods or services (possibly, except for ongoing fundraising program).

6. Building fund--to pay mortgage on building and fixtures on building owned by state party, can accept contributions from corporations, unions, PACs and unlimited from individuals regardless of state law.

B. Prohibited contributions: regardless of what state law provides, you cannot accept into any account, federal or non-federal, contributions from:

1. Foreign nationals including foreign corporations.

2. National banks.

3. Federal contractors (federal account only).

C. Soliciting contributions

1. **Must use proper disclaimer : "Your contribution will be used in connection with federal elections and is subject to the limitations and prohibitions of the Federal Election Campaign Act. Paid for by the _____ Democratic Party. Contributions are not tax deductible for federal income tax purposes."**

2. Make checks payable to "_____ Democratic Party/FEDERAL ACCOUNT".

3. "Best efforts" rule:

- Must obtain occupation and employer for every contribution aggregating over $200/calendar year

- All solicitations must contain the following language: **"Federal law requires political committees to report the name, mailing address,**

occupation and name of employer for each individual whose contributions aggregate in excess of $200 in a calendar year."

- A second request for missing information, either oral or in writing, must be made, and documented;

- Committees must review their own records to search for information that may not have been supplied by the donor; and

- When additional information is received, amended reports must be filed with the FEC no later than the due date of the committee's next FEC report.

4. Can solicit donors who have maxed out to a candidate but funds donated must not be earmarked for particular candidates.

D. In-kind contributions

1. Anything of value (less than usual and normal charge) received by the state party counts as a contribution except--

- An individual's volunteer service to the state party;

- A volunteer's own food and lodging expenses;

- An individual's own travelling expenses, up to an aggregate of $2,000 per calendar year, incurred while doing volunteer work;

- Expenditures for invitations, food and beverages by an individual, up to an aggregate of $2,000, for meetings, rallies and parties held in the individual's own home or a community room;

- Discounts by a vendor of food and beverages which do not exceed $2,000 in a calendar year, provided that the price charged is no less than the actual cost for those goods; and

- Free legal and accounting services for FEC compliance.

2. Federal limits and prohibitions apply to in-kinds. But where state law allows contribution from source of the in-kind (e.g., union or corporation), under FEC

ruling state party can take it:

- for administrative or fundraising
- by transferring value of federal share from federal to non-federal account before in-kind contribution is accepted.

E. Loans

1. Can only be from a bank, on arm's length terms; otherwise it's a contribution and counts against the limits.

2. Guarantees and collateral provided by anybody count as a contribution.

3. Loans to federal account must be repaid from federal account.

III. EXPENDITURES/DISBURSEMENTS

A. Types of Expenditures

1. Administrative

2. Generic

3. Fundraising

4. Candidate-specific

B. Administrative= overhead, staff, rent, utilities, general office phones, equipment, supplies, meetings, trainings, etc.

1. No limit.

2. Paid on ballot allocation ratio ("state split").

C. Generic= materials, media, phones, etc. which do not mention name, use picture or otherwise specifically identify a candidate--but can say "Vote Democrat", "Support the Democratic ticket," etc. and & issues/themes are okay.

1. No limit.

2. Paid on "state split."

3. No volunteer component needed and no other restrictions.

5

D. Fundraising expenses.

1. No limit.

2. Paid on "funds received" method: federal/non-federal split equal to the federal/non-federal split of the revenue received.

- Small dollar events from individuals--can be all hard money, must be paid for all hard money
- Estimate split for event and pay bills accordingly
- Adjust split to actual within 60 days of event and make necessary transfers.

E. Candidate-specific

1. **Limits on contributions/expenditures to federal candidates by state parties:**

- $5,000 per election, cash or in-kind
- "441a(d) authority"= special legal right to spend money for federal House or Senate candidate (in-kind only) in the general election
- Each of DNC and state party starts with equal authority but usually delegates to DCCC (House) and DSCC (Senate)--so don't count on having any
- House= approximately $31,000 per CD in '96. (Exact number to be announced later). Each of the state and DNC start with this much.
- Senate= varies state by state

2. **"Exempt activities":** Expenditures which can mention federal candidates by name but do not count as contributions/expenditures and so are not subject to any limit.

a) **Campaign materials**

a. Typical uses:
- mailings
- lit--brochures, handbills
- visibility (bumper stickers, signs, etc.)

b. Limits and conditions

- Must be distributed or handled by volunteers
- Any mailing must have volunteer component; FEC getting stricter (will detail in later coordinated campaign training)

c. No broadcast or print advertising!

d. Federal share of expense cannot be paid from federal funds transferred down by DNC

(ii) Slate cards

a. Definition: 3 or more candidates, party and name only-- no additional information

b. Limits and conditions

- Can be mailed freely (paid direct mail)
- No transfer down problem

(iii) GOTV--phone banks, rallies

a. On behalf of presidential/vice-presidential nominees only--not US Senate or House except "incidentally" or if candidate buys in or if 441a(d) is used

b. BUT arguably can prepare list based on US Senate/House candidate preference (multiple candidate voter i.d.) for later use for generic GOTV phoning

c. Phoning must be done by volunteers but can be trained/supervised by paid staff + given food, expense money

d. Cannot pay federal share with DNC money

3. Allocation of any candidate-specific activity: Based on space or time devoted to each candidate.

- Example: Phone call, remember to get out and vote for Smith for Senate and Jones for Governor: 1/2 federal, 1/2 non-federal

4. Activities for Clinton/Gore prior to nomination.

- Primary committee is partially publicly funded and subject to overall spending limit

- Specific campaign materials are an in-kind contribution which counts towards $5,000 limit and towards campaign's spending limits--so can't do it this way

- Availability of exempt activities prior to nomination--open question, will advise state parties

- Generally no problem during '95 in distributing materials promoting President's agenda, positions, accomplishments, criticizing GOP for same, without reference to the election--depends on exact language and timing

- State parties cannot do any paid media or advertising for Clinton/Gore '96 at any time

F. Paying for allocable expenses

1. Cut checks for 100% from federal account.

2. Then:

   - Advance allocable portion from non-federal to federal 10 days before federal check is cut or--

   - Reimburse allocable portion from non-federal to federal within 60 days after federal check is cut

G. States with strict state laws, i.e., non-federal money more difficult to raise than federal: okay to use more federal money than permitted by state split for administrative expenses.

H. Disclaimers on expenditures

1. 441a(d): "Paid for by the ___ Democratic Party and authorized by [name of candidate committee]".

2. Generic activities: "Paid for by _____ Democratic Party".

3. Exempt activities: FEC rulemaking pending.

4 Non-federal--be sure to follow state law if you mention non-federal candidate. In some cases, treasurer, etc. may have to be named.

IV. RECORDKEEPING AND REPORTING--OVERVIEW

A. When (if filing quarterly)

1. Off year (1995)--if a quarterly filer

   - July 31, 1995: covering Jan 1--June 30 1995
   - Jan 31, 1996: covering July 1--Dec. 31, 1995

2. Election year

   April 15 (through 3/31)
   July 15 (through 6/30)
   Oct. 15 (through 9/30)
   Pre-primary--12 days before primary
   Pre-general: due Oct. 24, 1996 covering through Oct. 16 (mailed Oct. 21 if by certified mail)
   Post-general: due Dec. 5, 1996 covering through Nov. 25

B. Reporting contributions

1. Need for system to track name, address, occupation, employer, amount and date as checks are received; we can work with state parties on software packages

2. All contributions must be attributed to the person or entity who actually provides the funds. **Reporting a contribution from someone in the name of someone else is a very serious offense--often resulting in criminal liability.** This applies to any attempt by a corporation to reimburse an employee for an individual contribution.

3. Checks must be deposited within 10 days of receipt.

C. Reporting Expenditures

1. Need for system to capture name, address, date and amount for every check; code type of expenditure as above

2. Overview of allocation schedules

   - H1--1st report of the cycle--state split
   - H2--Fundraising activities

DNC 1485594

- "Exempt" candidate expenditures

  Pick a name and show the split

- H3--Transfers of non-federal portion of allocated expenses

- H4--Line by line split of each allocated expense

  For administrative/generic, use state split

  For exempt activities and fundraising, use special split assigned

D. Remember about reporting:

1. FEC does not currently have random audit power.

2. Most state parties get themselves in trouble by revealing a mistake or problem in their FEC reports.

3. When the FEC sends a letter ("Request for Additional Information") respond on time and carefully-- to avoid audit points.

4. **Get reports in on time!!**

E. "Red flags" on FEC reports

1. Expenditure purpose including candidate names--make sure it's covered with 441a(d) or is for an exempt activity.

2. Contribution from apparently illegal source
   --Unregistered PACs
   --Associations and organizations
   --State and local candidates.

V. USE OF NON-PROFIT POSTAL PERMIT

A. State parties use their permit for mailings on behalf of candidates, provided that

1. State party's name must appear on the mailing.

2. The mailing must carry the state party's disclaimer--not that of the candidate.

3. State party must pay all the costs associated with

preparation and distribution of the mailing--must maintain records adequate to establish that all costs were paid by the state party (not the campaign).

4. Only the state party may use the permit--not county or local parties.

B. Candidate can help provide material for and review the mailing..

1. Copy should be written by employees of state party or consultant/vendor hired by state party. All creative, production, other services must be paid for by state party.

2. **But candidate can--**

- Provide suggested copy, information, pictures, statements, etc. for the mail piece
- Review draft mailings

as long as state party retains final editorial control.

C. A candidate can make or solicit contributions to a state party that makes a mailing on behalf of the candidate provided that--

1. The contribution is made to the general party fund (or coordinated campaign budget) not to any special account set up for a mailing program.

2. The contribution is not made with the specific understanding that a mailing will be done for the candidate.

3. The state party retains discretion over how the funds are used.

VI. WORKING WITH CORPORATIONS AND LABOR UNIONS

Note: Rules may change as result of pending FEC rulemaking

A. Corporations can use their own funds to advocate election or defeat of candidates only in communications to their own stockholders and administrative and executive personnel

1. Candidate can appear on corporate premises to meet above persons; if introduced to other employees, must be on nonpartisan basis.

DNC 1485596

2. Use of corporate facilities by candidate/state party must be reimbursed at usual and normal commercial rate.

3. Corporate employees may volunteer for candidate/party on their own time and make "incidental, isolated or incidental" use of their offices; corp. must be reimbursed for increased overhead.

B. Unions can use their own funds to advocate election or defeat of candidates in communications to their own members and their families.

1. Unions can allow candidate to address its members at meeting, convention or other union function. Can be completely partisan.

2. Union can pay for phone banks directed at its own members and their families.

3. Use of union facilities (e.g., phones) by party/campaign for general campaign activity directed at public (e.g. phone banks) must be reimbursed at usual and normal commercial rate.

Note: special rules apply to use of corporate/union aircraft--must be paid in advance at specified rates.

VII. WORKING WITH (AND AGAINST) TAX-EXEMPT ORGANIZATIONS

A. Tax law rules--Overview

1. 501(c)(3) organizations

- Contributions to organization are tax-deductible
- Cannot engage in any partisan activity whatsoever
- Can lobby on issues, but limited
- Can engage in nonpartisan voter registration and GOTV under strict IRS guidelines/ should be no contact with party on how or where but party can contribute funds.
- Churches are 501(c)(3)'s; distribution of voter guides that are in fact partisan is a violation of tax status.

2. 501(c)(4) organizations

- Contributions are not tax-deductible

- Can lobby freely on issues

- Can engage in political/partisan activity (subject to campaign finance rules) but may face special tax for doing so

- Political activity cannot be "primary purpose" of the organization.

B. FEC Rules

1. Tax exempt organizations are corporations and so face prohibition on corporate contributions.

2. (c)(4) organizations can undertake

- Public communications on issues, praising/criticizing elected officials for their positions referring to candidates, that fall short of "express advocacy" of election or defeat of a candidate and are not coordinated with a candidate. Definition of "express advocacy" and scope of permissible coordination with candidate/party is subject of FEC rulemaking/ongoing litigation.

- Internal communications to members of the organization.

- GOTV around ballot and other state issues, depending on state law.

Note: Additional detailed legal guidelines/strategies for dealing with radical right will be separately distributed at later sessions.

VIII. AMERICANS WITH DISABILITIES ACT

A. Full requirements (ADA Accessibility Guidelines) apply to existing facilities if they are places of "public accommodation"

1. Auditoriums, meeting halls, etc. used for state party meetings.

2. Possibly includes areas within state party offices that are frequently or generally used for meetings with volunteers, workers, etc.

B. Do not hold meetings or conventions in facilities that are not accessible to persons with disabilities or do not meet ADA

requirements.

C. New offices and alterations to offices--even if not places of public accommodation--must also meet ADAAG.

D. ADAAG does not apply to offices that are not public accommodations and were constructed before 1/92, if not altered--but should be made basically accessible to persons with disabilities.

See ADA Checklist (separately distributed)

IX. STATE PARTIES AS EMPLOYERS

A. Remember to file/obtain

1. Federal and state withholding
2. FICA/Medicaid
3. Workmen's Compensation

B. Do not retain people as consultants (rather than employees) unless they really meet IRS guidelines.

1. Work outside the office
2. Provide own equipment, supplies, facilities
3. Other criteria

X. TAXATION OF STATE PARTIES

A. State parties are exempt from tax as political committees under section 527 of the IRC

1. Generally state parties are not exempt from sales tax in their states.

B. State parties--

1. File Form 1120-POL.

2. Pay tax only on interest on their funds and other "nonexempt" income and expenditures--including business revenue that is generated by corporation rather than donations (e.g., affinity card issue).

DNC 1485599

F.E.C.-a-pho-bi-a, n. a morbid dread of Federal Election Commission regulations.

DNC 1485699

RULE #1: GET A LAWYER.

RULE #2: GET IT IN WRITING.

RULE #3: KNOW THE REGULATIONS.

CONTRIBUTION LIMITS

Individuals	$1000/election
Sole Proprietorships	$1000/election
Partnerships*	$1000/election
PACs (multicandidate)	$5000/election
Federal Candidate Committees	$1000/election
Joint Individual Accounts	$1000/election/signature
Spouses	$2000/election w/signatures
Cash	$ 100
Anonymous	$ 50

Note: Contributions can be accepted from an unregistered source (non-federal political committees, local democratic clubs ...) if the organization can demonstrate that it had enough federally permissible funds available at the time the check was cut. These unregistered sources can only contribute up to $1000 per year to all federal candidates or committees.

PROHIBITED CONTRIBUTIONS

Corporations ("Inc.", "PC")
Labor Organizations (non-PAC funds)
Non-Profits
Federal Government Contractors
Foreign Nationals (non-Green Card holders)
Contributions made in the Name of Another
Contributions by Minors not knowingly made by the minor or not from their own funds

Questionable Checks should be verified in writing or verbally (document with a memo to file). If the check is deposited and is later found to be illegal, it should be immediately refunded to the contributor.

---

*Partnerships have their own limit of $1000 per election and such contributions must be divided among the partners along the partnership's percentages or as indicated by the partnership. The partners' shares count against their individual limits.

DNC 1485700

COMMON QUESTIONS/ISSUES

What does "Max-ed Out" mean?

The term "Max-ed Out" means that a donor -- individual or PAC -- has contributed the maximum permitted by law for an election -- primary or general.

A donor sent in an undesignated check for $2000, what should I do?

There are three options -- Redesignate, Reattribute or Refund. **Redesignate** means that the contributor allocates the portion over their $1000 per election limit to the next election. In most cases, the first $1000 is credited to the primary election and the second $1000 to the general election. Remember, money can only be collected for elections in which a candidate is on the ballot. (See Rule #2)

If the check is from a husband and wife, a committee can ask the contributor to **reattribute** the excessive portion of the contribution to his/her spouse. This option requires the signature of the spouse. (See Rule #2)

Finally, the least desirable of all options is to **refund** the excessive portion of the contribution. Sometimes you can reattribute a portion of the check to the spouse but will have to refund the rest.

NOTE: All **redesignations** and **reallocations** must be in writing, signed by the contributor and must be done within 60 days of the original receipt of the contribution.

The campaign has a debt from the primary, can donors contribute to pay it off?

Yes. Contributions can be collected specifically for primary debt retirement. In addition, funds collected after the election can be **reattributed** to the primary debt if not specifically designated to the general election. (P.S. Get it in writing.) These funds count toward the contributor's primary election contribution limit ($1000). There is no separate contribution limit for debt retirement.

NOTE: The Primary Debt is equivalent to the outstanding debts/invoices the day after the election minus the same day's cash on hand. Once that debt is eliminated, no funds can be accepted for the primary.

DNC 1485701

What kind of information do I need from a donor? When do I have to ask for it? Why do I need it?

For contributions under $200.00, you must keep a record of the date and amount of the contribution and the name and address of the contributor. For contributions greater that $200.00, you must also have the occupation and employer of the contributor. This rule applies not only to single contributions but a donor's aggregate contributions in a calendar year. Remember, you must keep tract of year-to-date contribution information.

You must exercise "best efforts" in requesting information from a donor. This information can be requested on the original solicitation for funds, in a follow-up letter, or by phone (document with a memo to file).

Contributor information is "required by law". Once an individual's contributions to a candidate aggregate in excess of $200.00 in the calendar year, subsequent contributions must be itemized (reported), regardless of amount, in the committee's Federal Election Commission (FEC) filing.

Are contributions to federal candidates tax deductible?

No. In fact, any solicitation for funds must include the statement, "Contributions to political candidates are not tax deductible."

Are any other disclaimers necessary?

Yes. Every item of printed material must include an authority line like, "Paid for and authorized by Emily Grayson for Congress."

A donor gave me $100 in cash, can I accept it?

Yes. Up to $100 in cash can be accepted from a donor with the proper identification -- Name, Address, Date and Amount of contribution.

A donor sent in a check that looks like it might be from a corporation, what do I do?

Any check from a questionable source should be verified. Either written documentation from the donor or a phone call followed up with a memo to file. (See Rule #2)

DNC 1485702

If you cannot verify the legality of the contribution within 30 days of receipt, it must be refunded. Remember that contributions must be deposited within 10 days of receipt.

What constitutes an In-Kind contribution?

An In-Kind contribution results when an individual or a PAC provides goods or services without charge or at less than the normal and usual charge to a candidate. The total value or discount of these goods or services counts against the usual contribution limits. Volunteer services do not count as In-Kind contributions.

There are two exemptions to the In-Kind Contribution. First, an individual can spend up to $1000 in personal funds on personal travel exempt of contribution limits. (Volunteers may also spend unlimited amounts on subsistence costs in connection with their volunteer activity.) Second, an individual can host an event in his/her home and spend up to $1000 on food, beverages, invitations, etc. exempt of limits. In either case, any amount above $1000 will count as an In-Kind Contribution toward the individual's contribution limit.

As corporate contributions to federal candidates are illegal, corporations cannot make In-Kind contributions. Furthermore, corporations must provide goods or services at "fair market value" so that an illegal contribution does not result when less than the usual amount is charged. Beware offers of use of corporate cars, airplanes, office space, etc.

How do I handle contributions from partnerships?

Contributions from partnerships are legal but are handled differently from individual contributions. The partnership itself can contribute up to $1000 per election. The amount of the check must be divided among its partners along the partnership percentage or as designated by the partnership. The money allocated to each partner also counts against their individual limit of $1000 per election.

What is an Earmarked or Conduit contribution? Is it Bundling?

An Earmarked or Conduit or "Bundled" contribution is directed by the donor through a conduit like EMILY's List. The conduit must forward the contribution to the candidate within 10 days. The contribution counts

DNC 1485703

against the individual's limit, not the conduit's, and must be reported by the candidate committee when an individual's contributions aggregate $200.00 in the calendar year. When reported, it must be specifically labeled as coming through the conduit.

How much money can we get from the National Party Committees (DNC/DSCC/DCCC)?

Senatorial candidates can receive a maximum of $17,500 in direct contributions from the DSCC. In addition, the committee can make Coordinated Expenditures on behalf of a General Election candidate. The maximum amount of these expenditures is based on the voting age population (VAP) of the candidate's state.

Congressional candidates can receive up to $5,000 per election in direct contributions from the DCCC. The committee can also make Coordinated Expenditures on behalf of candidates. The amount is adjusted each year for a cost of living factor. In 1991, the limit was $26,500.

All coordinated party limits are published by the FEC in its newsletter, THE RECORD, usually in the February issue.

Gubernatorial candidates can receive money from the DNC as permitted by their state's laws.

When are FEC Reports due? What are 48 hour reports?

During an election year, candidate committees must file FEC Reports every quarter. In addition, pre-primary, pre-general and post-general reports are due. Pre-election reports are due 12 days before and election and cover the period from the last reporting period through the 20th day preceding the election. The post-general election report covers the period from 20 days prior to the election through 20 days after the election.

Candidate committees must file notices on contributions of $1000 or more received between the 20th day and 48 hours before an election in which a candidate is running. These reports must include the candidate's name and office sought, identification of the contributor and the amount and date of the contribution.

DNC 1485704

Where can I go for answers to FEC compliance questions?

First, try your lawyer.

Second, the DCCC and DSCC are excellent resources to candidates. They retain the best FEC lawyers in the country to help their candidates.

In addition, the FEC produces several publications, specifically the "Campaign Guide for Congressional Candidates and Committees" which are terrific sources of information. Contact them on 202-219-3440 or 800-424-9530.

Who cares about FEC Reports?

The press. Your opponent. Potential donors. The FEC.

If they care so much, so should you. Particularly, the press and your opponent will scrutinize your reports to determine where the candidate is receiving her money and how much support her candidacy has.

It is important to be careful about the source of funds (watch out for corporate contributions) and to be accurate in the information you provide about the donors. AND, believe it or not, the report should be neat! Invest in a good computer system. (At a minimum, get a good typewriter.)

In addition, there are penalties for non-compliance with federal regulations. The Treasurer of the committee is accountable for the accuracy of the reports. And fines are often accessed for even minor infractions. Breaking federal laws will not make your candidate look good.

DNC 1485705

(2)

HI - no submission of names
Vetting: what were pressures for dropping?
DF — None. People doing it left or moved.
no will or consciousness/focus to replace
those people. Exigitary
[illegible] certain knowledge
[illegible]helm (# for DeLee)
Report at end of Dec

Supervised JH — Rosen / Sullivan

Conflict w/ Yee + JH
Money mtgs. Rosen, DF, BJT, RS,
HI, DS, Karen.
Natl Finance Admy Bd — $350K goal 170 members
"symbolic" No real function
JN — wants list loose
total raised? Wasserman (over $2M)
When set up? early '96 ☆ NFB

Terry chair — who director? '94

most would have been flagged, not all
Hg goals. extra effort to make the goals
mistakes made were mistakes of process, no being
careful, thorough. Not the $ result of
cavalier attitude & illegal donations —
Problems of innocence not intent

DNC 3049787

BJT - 2

THE PRESIDENT HAS SEEN

CC: -
Leon
Harold
EL

10-8-96

October 7, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN

SUBJECT: Recent Political Information Items

We are forwarding the following recent political information items:

(A) **DNC Finances.** From Harold. Summary of two recent meetings. *Highlights:* 1) Direct Mail - Gross direct mail receipts for Jan-Oct '96 will be $23M rather than $30M primarily because of your strong poll numbers. 2) Budget - Assuming full fundraising schedule for you and the VP for October, only a 25% DNC federal contribution to state coordinated campaigns, and the LA, NY and D.C. unity fundraisers split evenly among DNC, DSCC and DCCC, DNC will have approximately $1.4M federal deficit at end of October and $7.5M at end of December. This does not include November and December anticipated income of $4.5M from direct mail, major donors and bank loan, which could bring deficit down to $3.5M. 3) GELAC - Original $12M goal been reduced to $9M but only $4.5M anticipated raised by Nov. 5. Of this amount, $2M will be used for campaign, $1.5M for campaign wind-down and compliance/audit, and $1M for potential fines. Harold notes this is very tight and questions why it will take $1.5 to "~~wind down~~." 4) Labor/Coordinated campaigns - Labor will not be solicited for 3 upcoming unity events so that they can fulfill their $8M commitment to state coordinated campaigns. *Please see attached memos for further details, including agreements with various states/races on money commitments.*

Non-Responsive Material Has Been Redacted

CGRO-1262
Req. 2/3/97

[redacted]

BJT - 3

~~[illegible]~~

general - DNC

Doug: -

Advisable to send or not?

Harold

DS says no.

17 April 1996

MEMORANDUM TO CHAIRMAN FOWLER

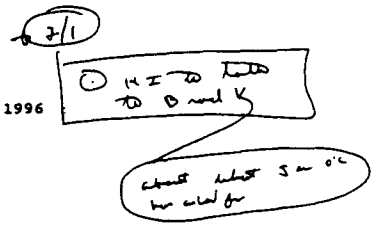
CC: Chairman Dodd
B.J. Thornberry
Marvin Rosen
Brad Marshall
Doug Sosnik
Karen Hancox

From: Harold Ickes

Re: 15 April 1996 meeting

This confirms the meeting that you and I and Doug Sosnik had on 15 April 1996 at your office during which it was agreed that all matters dealing with allocation and expenditure of monies involving the Democratic National Committee ("DNC") including, without limitation, the DNC's operating budget, media budget, coordinated campaign budget and any other budget or expenditure, and including expenditures and arrangements in connection with state splits, directed donations and other arrangements whereby monies from fundraising or other events are to be transferred to or otherwise allocated to state parties or other political entities and including any proposed transfer of budgetary items from DNC related budgets to the Democratic National Convention budget, are subject to the prior approval of the White House. It was agreed that a small working committee would be established which would include Chairman Fowler (or his representative), Chairman Dodd (or his representative), B.J. Thornberry, Brad Marshall, Marvin Rosen, Doug Sosnik, and others as may be agreed to, to meet at least once weekly, and more often if necessary, to implement this agreement.

EOP 034213



26 June 1996

MEMORANDUM TO CHAIRMAN DODD
CHAIRMAN FOWLER
B.J. THORNBERRY
BRAD MARSHALL

CC: Doug Sosnik
Karen Hancox
Jennifer O'Connor

From: Harold Ickes

Re: Bills for Squier/Knapp and Penn and Schoen

Until further notice, I request that you hold payments on all bills of any kind (other than for time buys) owed to Squier/Knapp and to Penn and Schoen until they have clarified a number of questions and have provided adequate documentation regarding outstanding bills they have submitted. In my view they are not adhering to the rules regarding expenses and other matters.

In addition, although in the past you have permitted Squier/Knapp to pay their travel related and other expense bills out of excess time buy which they hold, henceforth, I urge that this practice be stopped immediately.

They only expenses ever paid for out of excess time buy was production costs - never travel-related or other expense bills.

THE PRESIDENT HAS SEEN
5/7/96

DEMOCRATIC NATIONAL COMMITTEE
PRESIDENTIAL COFFEE

Date: Tuesday, May 7, 1996
Location: The White House
The Map Room

Time: 9:00 a.m.

I. PURPOSE

The purpose of this coffee is to raise funds for the Democratic National Committee.

II. BACKGROUND

This group has been pulled together by Shelby Bryan. Chairman Fowler met with Shelby and Stan McLelland in February and discussed Shelby's hope of getting this group together. They are all new contributors to the DNC.

III. PARTICIPANTS

Please see attached list.

IV. PRESS PLAN

This event will be closed to the press.

V. SEQUENCE OF EVENTS

- Call Time. Chairman Fowler arrives and guest will be seated at table for coffee.

- PROGRAM
  - POTUS arrives
  - Chairman Fowler delivers brief remarks.
  - POTUS delivers informal remarks.
  - Departure after the program.

VI. REMARKS

Informal

EOP 024249

BJT - 6

WIN IN '96 DEMOCRATIC NATIONAL COMMITTEE

Donald L. Fowler, *National Chair* • Christopher J. Dodd, *General Chair*

September 28, 1995

[redacted][1]
[redacted][2]
[redacted][3]
[redacted][4]
[redacted][5]

Dear [redacted][6]:

1995 has been a good year for the Democratic National Committee and for the Clinton Administration. President Clinton's policies are moving the country in the right direction. But we have some critical issues facing us during the current debate over budget priorities and the role of government. The President has asked me to invite you and a small group of other people to discuss these matters and what we are doing about them. Please join us for coffee at the White House on October 6 at 9:00 a.m.

Someone will call you within a few days to determine if you can join me. Thank you. I look forward to seeing you on October 6.

Sincerely,

Donald L. Fowler

[redacted] Capitol Street, S.E. • Washington, D.C. 20003 • 202.863.8000 • FAX: 202.863.817

Contributions to the Democratic National Committee are not tax deductible

BJT - 7

EOP 035478

DNC FINANCE CALL SHEET

For:

CALL SHEET PREPARED BY: Ann Braziel

DATE: December 3

NAME: Jonah Shacknai

TITLE: Chairman and CEO

COMPANY: Medicis Pharmaceutical Company

ADDRESS: Phoenix, AZ

PHONE: (602) 808-8800

ASST NAME:

CONTRIBUTOR HISTORY: $20k in 1992

REASON FOR CALL: He is very interested in participating in convention, but is not sure about membership. Ask him to begin renewal of his Trustee membership at $25k and attend the Coffee with the President on 12/13, 15, or 21.

ADDITIONAL NOTES:

CALL RESULTS:

Confidential Information

DNC 3098456

13 March 1996

Non-Responsive Material Has Been Redacted

MEMORANDUM TO THE PRESIDENT
THE VICE PRESIDENT

CC: Leon Panetta
Evelyn Lieberman
Maggie Williams
Ron Klain
Doug Sosnik (w/o enc.)
Karen Hancox (w/o enc.)
Chairman Fowler (w/o enc.)
Chairman Dodd (w/o enc.)
Marvin Rosen (w/o enc.)
B.J. Thornberry (w/o enc.)
Scott Pastrick (w/o enc.)
Richard Sullivan (w/o enc.)
Brad Marshall (w/o enc.)

From: Harold Ickes

Re: DNC financial summary and fundraising plan

On 13 March the DNC (Chairman Fowler, Marvin Rosen, et al.) presented a weekly financial summary of the DNC, dated 13 March 1996 and a projected fundraising plan for January through October 1996.

2. The multi-paged document captioned in the upper right hand corner "Revenue and Expense Summary", dated 3/13/96 in my hand writing, shows a projected gross revenue from major donors of $93.6 million and projected gross revenue from direct mail of $30 million for a total projected gross revenue of $123.6 million, of which $12.5 million has been raised to date.

There is a schedule for each month showing each event for the month, the total projected gross revenue for each event and for each month as follows (in millions):

January	2.4 (actual)
February	5.0 (actual

CGRC-0039
Req. 2/3/97

March	7.4
April	13.1
May	8.0
June	13.7
July	5.9
August	7.8
September	14.1
October	13.5
Total	90.7

We have requested that some of the September and October dates be moved into August and July. Marvin Rosen will develop a revised schedule.

3. Fundraising agreements. Also attached is a document captioned "Political Fundraising Agreements", dated 3/13/96, which show the agreements reached with each state party participating in the fundraising events described in the document. Some of those state parties will receive some revenues from these events that will be specifically designated for the state party's share of the coordinated campaign budget for that state. Those designated monies will go into a separate account which will require two signatures, one of the signatories of which will be Brad Marshall or Joe Sandler of the DNC, thereby insuring that the coordinated campaign funds will be available for those purposes. In some cases, the state parties will receive revenues from some of these fundraisers that they can use at their discretion.

4. Direct mail: It is about $1.5 million below projections for the year to date. But according to Chairman Fowler, Hal Malchow is confident the $30 million gross for calendar 1996 will be met.

Democratic National Committee
Financial Summary
03/13/96

3/13/96

Year to Date Fundraising Deposit Summary:

	Direct Mail	Major Donor	Totals
January Deposits	$ 756,604	$ 2,347,087	$ 3,103,691
February Deposits	1,655,724	4,805,271	6,460,995
March Deposits	1,318,475	1,327,577	2,646,052
Totals	$ 3,730,803	$ 8,479,935	$ 12,210,738

Non-Responsive Material Has Been Redacted

CGRO-0041
Req. 2/3/97

OCTOBER (DATES NEEDED)

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Houston Gala	tbd	$700,000	$0	$70,000	tbd	tbd
POTUS	Houston Sax	tbd	$100,000	$0	$10,000	tbd	tbd
POTUS	San Francisco Gala	tbd	$1,000,000	$0	$100,000	tbd	tbd
POTUS	Boston Gala	tbd	$2,000,000	$0	$200,000	tbd	tbd
POTUS	Boston Sax Club	tbd	$200,000	$0	$20,000	tbd	tbd
POTUS	Chicago Gala	tbd	$1,000,000	$0	$100,000	tbd	tbd
POTUS	Chicago Sax	tbd	$150,000	$0	$15,000	tbd	tbd
POTUS	NYC Gala	tbd	$1,000,000	$0	$300,000	tbd	tbd
POTUS	NYC Saxophone	tbd	$300,000	$0	$30,000	tbd	tbd
POTUS	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
POTUS	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
POTUS	Coffee	tbd	$400,000	$0	n/a	n/a	$0
POTUS	Coffee	tbd	$400,000	$0	n/a	n/a	$0
VPOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPOTUS	New Orleans	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Detroit	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Minneapolis	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	NYC	tbd	$500,000	$0	$25,000	tbd	tbd
VPOTUS	Cinncinnati	tbd	$250,000	$0	$25,000	tbd	tbd
FLOTUS/MEG	DC Dinner	tbd	$250,000	$0	$50,000	tbd	tbd
FLOTUS/MEG	New Jersey	tbd	$250,000	$0	$50,000	tbd	tbd
FLOTUS/MEG	NYC	tbd	$300,000	$0	$60,000	tbd	tbd
FLOTUS	Philadelphia	tbd	$400,000	$0	$40,000	tbd	tbd
MEG	Pittburgh	tbd	$50,000	$0	$5,000	tbd	tbd
TOTAL			$13,500,000	$0	$1,195,000	$0	($1,195,000)
				Salary Expense	$260,000		
				Miscellaneous	$129,773		
				Total Expense	$1,584,773		

CGRO-0042
Req. 2/3/97

DNC

3/13/96

3/13/96

POLITICAL FUNDRAISING AGREEMENTS

Fowler - There are two only stated party events to date

CONNECTICUT - February 24th

The event raised between $120,000 -$140,000
The Connecticut State Party has a $125,000 debt.
The State Party made a $13,500 contribution to the DNC to cover the costs .
An additional $35,000 raised will go toward the DNC line item in the Coordinated Campaign.
The remaining money will be used by the State Party at their discretion.
A letter of agreement was sent to Ed Marcus. Ed returned it with different terms.
Chairman Fowler has sent a subsequent letter laying out once again the original terms.
Followup: The $35,000 needs to be deposited in the Coordinated Campaign account.
(Note: The Coordinated Campaign Accounts have been set up.
Kathleen Curry and Jim Lawlor are co-signers.

MARYLAND - February 29th

Chairman Fowler spoke with Mary Jo Neville regarding the agreement.
The following is the agreement.
Two tiered event -- $1000 reception and $100 dinner.
The goal of the event was $100,000-$150,000. They raised $55,000 gross ($24,000 net)
The Party made a $10,000 contribution to the DNC to cover travel expenses.
DNC gets 25% of the net of what is raised -- this will be credited to the DNC line item in the Coordinated Campaign. This money will be deposited into a coordinated campaign account.
75% the State Party will be able to keep with no strings attached.
The Maryland Democratic Party made a contribution to the DNC to cover the travel costs.
The Maryland Democratic Party has set up a jointly controlled dinner committee to collect the proceeds. Brad Marshall is a co-signer on this account.
Follow-up: The Coordinated Campaign Accounts need to be set up. The $6,000 needs to be moved into the Coordinated accounts.

MINNESOTA - March 1st

The Minnesota Party will put $25,000 of the proceeds toward the DNC line item in the Coordinated Campaign.
The State Party made a contribution of $9,000 to the DNC to cover trip costs.
Follow-up: Maureen needs to call Steve Hildebrand to obtain signature cards for the CC accounts.
After the accounts have been set up, the $25,000 needs to be moved.

CGRO-0043
Req. 2/3/97

COLORADO - March 2nd

This is a DNC event. Most of the checks were made payable to the DNC.
Colorado State Party will receive $100,000 from this event - $60,000 from the proceeds of this event(minus any checks inadvertently written to the State Party) and $40,000 from the ad book.
Follow-up: The money needs to be disbursed to Colorado Democratic Party.

MICHIGAN - March 4th

The first $600,000 will be split between the DSCC and the Michigan Democratic Party. (Note: All federal dollars will go the DSCC and non-federal will go to the Michigan Democratic Party for Levin line item the coordinated.
The next $200,000 of non-federal money raised will go to the DNC.
All remaining dollars raised will be split 50/50 between the DNC and the Michigan Democratic Party for the Levin line item in the CC. These remaining dollars are expected to be non-federal.
A joint fundraising agreement was prepared between the DNC,DSCC and the Michigan Democratic Party.
Followup: The Levin Campaign, DSCC, and the DNC's staff will reconcile the account and distribute the proceeds.
A dinner committee account has been set up to collect proceeds. Brad Marshall is a co-signer.

TEXAS - March 18th

Two events will be held in state with the DCCC.
DNC and DCCC will split the proceeds as follows:
The first $400,000 gross of federal money will be split 2/3 DCCC and 1/3 DNC.
After $400,000 the federal money will be split 50/50 between DNC/DCCC.
The non-federal money will be split 1/3 DCCC and 2/3 DNC>
→ The DNC will contribute 25% of their proceeds to the Texas Democratic Party.
A joint fundraising agreement has been set up and signed by with the DNC and DCCC.
Chairman Fowler is following up with Bill White.

OHIO - March 23rd

Two Tier event - $5,000 and $96.00
→ State Party will receive all the money from the event in the first instance.
50% of the proceeds from the event will be used by the State Party - no strings attached.
→ 50% of the proceeds will used for the Coordinated Campaign of which 50% will be credited toward the DNC line item and 50% will be credited to the State Party's line item.
The Ohio Party will make a contribution to cover the costs of the trip.
David Leland has indicated a willingness to sign a letter of agreement.

CGRC-[illegible]44
Rec. [illegible]3/97

The DNC will sell $5,000 tickets and keep the proceeds.
Followup: Travel costs
Letter to Leland for signature.
Collect a contribution from the Ohio Democratic Party to cover travel costs.

MARYLAND - April 10th

Two events will be held in Baltimore with the Mayor. There will be no splits.
All proceeds will go to the DNC.
Unresolved Issues: Maureen needs to call Mary Jo Neville and let her know about the event. There will be no state party split.

PHILADELPHIA - April 11th

DCCC/DNC event – same terms as Texas.
→ Note: DNC will not be giving 25% of their proceeds to the PA Party.
Unresolved Issue: Has anyone told Mark Singel about this event?

PENNSYLVANIA - April 26th

The DNC will hold a fundraiser in Philadelphia. If the event raises more than one million net, the State Party will receive $100,000 to applied to their debt. If the event raises less than one million, the State Party will receive 10% of the net proceeds.
Chairman Fowler will follow up with Mark Singel.
Chairman will follow up with Mayor Rendell

FLORIDA - April 29th

If someone gives $5,000 to the DCCC event in Florida, their contribution will be credited toward the DNC Miami event for $50,000. (Note: the DNC will receive $45,000 from a donor instead of $50,000).
? → Unresolved issue: Does the state party get a split out of this event or a separate event? Does this $5000 count toward the other million that we helping the DCCC raise?

NEW JERSEY: - May 7th

The proceeds will be split 50/50 with Torricelli and the DNC.
Torricelli will receive as much federal money as his campaign legally can take. The remainder of the 50% will be non federal money. This money will go to the State Party to be credited to Torricelli's line item in the Coordinated Campaign.
Joe Sandler has drafted a joint fundraising agreement.
Unresolved Issue: The State Party wants a cut – the Torricelli campaign will negotiate with Tom Byrne. If the State Party gets a cut, will it come out of the Torricelli 50%?

CGRO-0045
Req. 2/3/97

Listed below are other DNC events -- what are the deals?
March 8th - San Francisco - do we owe the CA Dem Party any money?
March 26th - Milwaukee
April 8 - New Orleans
April 8th - Jackson Mississippi
April 11th - Birmingham
April 16th - Phoenix
April 16th - Albuquerque
April 22 - Miami
April 29th - LA
April 29th - San Jose
May 10th - Little Rock
May 22nd - Hartford

CGRO-0046
Req. 2/3/97

Projected Funding DNC

3/13/96

1/1/96 - 3/12/96

REVENUE AND EXPENSE SUMMARY					
RAISED TO DATE					
	Major Donor	$8,800,680			
	Direct Mail	$3,730,803			
	Total	$12,531,483			
REVENUE					
	Major Donor				
	Projected Principal Event Total	$90,665,000	to	$95,665,000	
	Cabinet Events Total	$2,500,000		$2,500,000	
	Arts Project	$500,000		$500,000	
	Total	$93,665,000	to	$98,665,000	
	Direct Mail				
	Projected Revenue	$30,000,000		$30,000,000	
	Total Revenue	$123,665,000	to	$128,665,000	
EXPENSES					
	Staff Salaries	$2,600,000			
	Principal Event Expenses *	$6,780,500			
	Arts Project	$10,000			
	Cabinet Event Expenses	$250,000			
	Miscellaneous **	$1,427,500			
	Total Expenses	$11,068,000			

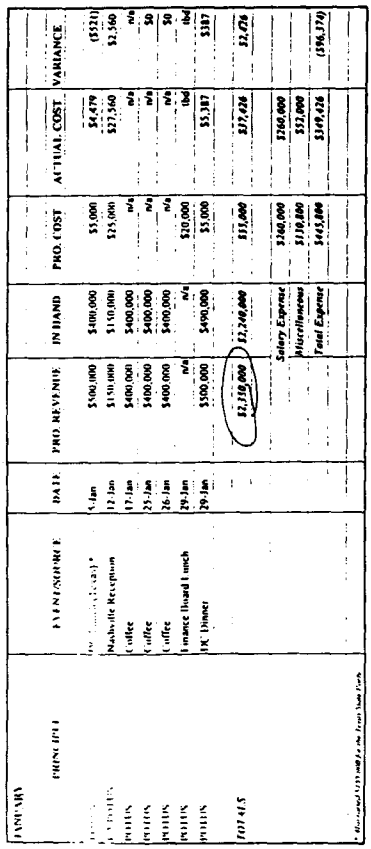
includes 17.5 raised

* Please note: If $95,665,000 is raised instead of $90,665,000 major donor expenses will increase by $500,000

** Please note: Miscellaneous expenses include but are not limited to the following: expenses incurred by the Finance Chair, the Treasurer and the Finance Director, mailings; printing (outside events); travel (outside events); lodging; and Convention

CGRO-0047
Reg. 2/3/97

438



JANUARY

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
[illegible]	[illegible]	5-Jan	$500,000	$400,000	$5,000	$4,479	($521)
[illegible]	Nashville Reception	12-Jan	$150,000	$150,000	$25,000	$27,560	$2,560
POTUS	Coffee	17-Jan	$400,000	$400,000	n/a	n/a	n/a
POTUS	Coffee	25-Jan	$400,000	$400,000	n/a	n/a	$0
POTUS	Coffee	26-Jan	$400,000	$400,000	n/a	n/a	$0
POTUS	Finance Board Lunch	29-Jan	n/a	n/a	$20,000	tbd	tbd
POTUS	DC Dinner	29-Jan	$500,000	$490,000	$5,000	$5,387	$387
TOTALS			*$2,350,000*	*$2,240,000*	*$55,000*	*$37,426*	*$2,426*
				Salary Expense	*$260,000*	*$260,000*	
				Miscellaneous	*$130,800*	*$52,000*	
				Total Expense	*$445,800*	*$349,426*	*($96,374)*

* Accounted $[illegible] for the Texas State Party

CGRO-0048
Req. 2/3/97

FEBRUARY

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	New Hampshire	2-Feb	$250,000	$250,000	n/a	n/a	$0
POTUS	Coffee	6-Feb	$400,000	$400,000	n/a	n/a	$0
POTUS	DC Dinner **	8-Feb	n/a **	n/a	$20,000	$20,000	$0
POTUS	Coffee	12-Feb	$400,000	$400,000	n/a	n/a	$0
POTUS	NYC Gala	15-Feb	$250,000	$291,300	$50,000	$49,500	($500)
POTUS	NYC Sax Club	15-Feb	$15,000	$24,850	$10,000	$13,085	$3,085
POTUS	DC Dinner (DBC)	19-Feb	$1,000,000	$845,000	$20,000	$12,925	($7,075)
POTUS	DC Dinner (Asian)	19-Feb	$500,000	$813,880	$10,000	$6,400	($3,600)
POTUS	DC Dinner	21-Feb	$500,000	$450,000	$5,000	$5,900	$900
POTUS	Coffee	22-Feb	$400,000	$340,000	n/a	n/a	n/a
POTUS	LA Dinner ***	23-Feb	n/a ***	n/a ***	n/a	tbd	tbd
VPOTUS	DBC Conference **	19-Feb	$200,000	$201,000	$176,000	$198,100	$22,100
VPOTUS	Miami	19-Feb	$200,000	$159,500	$20,000	$16,300	($3,700)
VPOTUS	DC Lunch (servicing)	21-Feb	n/a	n/a	$4,000	$4,000	$0
VPOTUS	Cincinnati	26-Feb	$200,000	$225,000	$20,000	$7,500	($12,500)
VPOTUS	Columbus	26-Feb	$200,000	$174,500	$20,000	$7,500	($12,500)
VPOTUS	NYC	27-Feb	$250,000	$200,000	$10,000	tbd	tbd
FLOTUS/MEG	WLF Philadelphia	26-Feb	$225,000	$231,100	$40,000	$67,008	$27,008
MEG	Orange County	13-Feb	$50,000	$35,350	$10,000	$8,355	($1,645)
n/a	Donor Directed			$45,000			
TOTAL			*$5,040,000*	*$5,041,480*	*$415,000*	*$416,573*	*$1,573*
				Salary Expense	*$260,000*	*$260,000*	
				Miscellaneous	*$120,000*	*$107,727*	
				Total Expense	*$795,000*	*$784,300*	*($10,700)*

** Servicing Events

*** Money will come in March numbers

CGRO-0049
Req. 2/3/97

MARCH (DATES RECEIVED)							
PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Detroit Lunch ****	4-Mar	$500,000	$197,000	$30,000	$31,357	$1,357
POTUS	Coffee	5-Mar	$400,000	$400,000	n/a	n/a	$0
POTUS	San Francisco Reception	9-Mar	$500,000	$441,000	$5,000	$5,000	tbd
POTUS	DC Dinner	15-Mar	$400,000	$0	$5,000	$5,000	tbd
POTUS	DC Dinner	19-Mar	$400,000	$0	$5,000	$14,008	tbd
POTUS	DC Dinner	19-Mar	$400,000	$0	$5,000	$5,000	tbd
POTUS	Cincinnati Lunch	23-Mar	$500,000	$0	$40,000	$10,550	tbd
POTUS	DC Dinner	25-Mar	$500,000	$0	$5,000	$5,000	tbd
POTUS	Trustee Dinner	27-Mar	n/a	$0	$20,000	$20,000	tbd
POTUS	Coffee	28-Mar	$400,000	$0	n/a	n/a	$0
POTUS	LA Event (see Feb.) + Mar. 8 Dinner	n/a	$1,500,000	$0	n/a	n/a	$0
VPOTUS	Denver	2-Mar	$250,000	$240,000	$25,000	$48,023	$23,023
VPOTUS	Coffee (servicing)	5-Mar	n/a	$0	n/a	n/a	$0
VPOTUS	Kansas City	6-Mar	$250,000	$230,000	$25,000	$11,500	tbd
VPOTUS	Houston	18-Mar	$125,000	$0	$12,500	$9,000	tbd
VPOTUS	Dallas	18-Mar	$125,000	$0	$12,500	$0	tbd
VPOTUS	DC Lunch	19-Mar	$200,000	$0	$5,000	$5,000	tbd
VPOTUS	Coffee (servicing)	20-Mar	n/a	$0	n/a	n/a	$0
VPOTUS	DC Lunch	22-Mar	$200,000	$0	$5,000	$5,000	tbd
VPOTUS	Milwaukee Dinner	26-Mar	$250,000	$0	$25,000	$10,000	tbd
FLOTUS	Minneapolis	1-Mar	$50,000	$50,000	$3,000	$2,080	($920)
TOTAL			*$6,950,000*	*$1,558,000*	*$228,000*	*$186,518*	*$23,460*

CGRO-0050
Req. 2/3/97

PRINT DATE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
	Coffee	Jul	$400,000	$0	n/a	n/a	$0
			$400,000	$0	$0	$0	$0
				Salary Expense	$240,000	$240,000	
				Miscellaneous	$136,999		
				Total Expense	$600,999		

CGRO-00551
Req. 2/23/77

EVENT/ACTIVITY	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
Coffee	1-Apr	$400,000	$0	n/a	n/a	$0
DC Dinner	4-Apr	$500,000	$0	$5,000	tbd	tbd
DC Dinner	8-Apr	$500,000	$0	$5,000	tbd	tbd
DC Dinner	8-Apr	$500,000	$0	$5,000	tbd	tbd
Baltimore Dinner	10-Apr	$600,000	$0	$60,000	tbd	tbd
WH Dinner (servicing)	11-Apr	n/a	n/a	$20,000	tbd	tbd
Coffee	23-Apr	$400,000	$0	n/a	$0	tbd
DC Gala	25-Apr	$4,500,000	$0	$400,000	tbd	tbd
DC Saxophone Club	25-Apr	$250,000	$0	$25,000	tbd	tbd
Philadelphia Dinner	26-Apr	$650,000	$0	$65,000	tbd	tbd
Atlanta Gala	29-Apr	$2,000,000	$0	$200,000	tbd	tbd
Miami Sax Club	29-Apr	$200,000	$0	$20,000	tbd	tbd
NY Conference Call		$200,000	$0	n/a	$0	tbd
NYC	2-Apr	$250,000	$0	$25,000	tbd	tbd
NYC Saxophone Club	2-Apr	$75,000	$0	$7,500	tbd	tbd
New Orleans	11-Apr	$250,000	$0	$25,000	tbd	tbd
Coffee (servicing)	12-Apr	n/a	n/a	n/a	n/a	$0
Albuquerque Dinner	16-Apr	$250,000	$0	$25,000	tbd	tbd
Phoenix Lunch	16-Apr	$250,000	$0	$25,000	tbd	tbd
DC Lunch	17-Apr	$250,000	$0	$5,000	tbd	tbd
Coffee (servicing)	26-Apr	n/a	n/a	n/a	n/a	$0
Los Angeles	29-Apr	$250,000	$0	$25,000	tbd	tbd
San Jose	29-Apr	$250,000	$0	$25,000	tbd	tbd
Atlanta	22-Apr	$250,000	$0	$50,000	tbd	tbd
TOTAL		$12,775,000	$0	$1,017,500	$0	($1,017,500)

CGRO-0052
Req. 2/3/97

CGRO-0053
Req. 2/3/97

MAY (DATES RECEIVED)

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Coffee	1-May	$400,000	$0	n/a	n/a	$0
POTUS	Coffee	3-May	$400,000	$0	n/a	n/a	$0
POTUS	New Jersey Gala	7-May	$700,000	$0	$70,000	tbd	
POTUS	Little Rock	10-May	$1,000,000	$0	$100,000	tbd	tbd
POTUS	DC Dinner	13-May	$500,000	$0	$5,000	tbd	tbd
POTUS	DC Dinner	13-May	$500,000	$0	$5,000	tbd	tbd
POTUS	DC Lunch	14-May	$400,000	$0	$5,000	tbd	tbd
POTUS	DC Dinner (Jewish)	20-May	$750,000	$0	$25,000	tbd	tbd
POTUS	WH Lunch	21-May	n/a	n/a	$10,000	tbd	tbd
POTUS	Hartford	22-May	$1,000,000	$0	$100,000	tbd	tbd
TOTAL			*$5,650,000*	*$0*	*$320,000*	*$0*	*($320,000)*

MAY (DATES NEEDED)

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	DC Dinner (Boston)	tbd	$500,000	$0	$5,000	tbd	tbd
VPOTUS	NYC	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Minneapolis	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Kennebunkport, MN	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Coffee (servicing)	tbd	n/a	n/a	n/a	n/a	$0
VPOTUS	Coffee (servicing)	tbd	n/a	n/a	n/a	n/a	$0
VPOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
FLOTUS/MLG	NYC	tbd	$600,000	$0	$50,000	tbd	tbd
FLOTUS/MLG	Denver	tbd	$200,000	$0	$40,000	tbd	tbd
TOTAL			*$2,300,000*	*$0*	*$175,000*	*$0*	*($175,000)*
				Salary Expense	*$260,000*		
				Miscellaneous	*$129,771*		
				Total Expense	*$884,773*		

CGRO-0054
Req. 2/3/97

BUSE (DATES RECEIVED)							
PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
[illegible]	Los Angeles Gala	10-Jun	$1,500,000	$0	$150,000	tbd	tbd
[illegible]	Los Angeles Sax	10-Jun	$250,000	$0	$25,000	tbd	tbd
TOTAL			*$1,750,000*	*$0*	*$175,000*	*$0*	*$0*

CGRO-0055
Req. 2/3/97

	EVENT/VENUE	DATE	PROJ. REVENUE	IN HAND	PROJ. COST	ACTUAL COST	VARIANCE
[redacted]	DC (Ann Indust)	tbd	$500,000	$0	$50,000	tbd	tbd
[redacted]	Atlanta Southern Dinner	tbd	$1,000,000	$0	$100,000	tbd	tbd
[redacted]	Houston	tbd	$750,000	$0	$75,000	tbd	tbd
[redacted]	Houston Vas	tbd	$100,000	$0	$10,000	tbd	tbd
[redacted]	NYC Gala	tbd	$1,000,000	$0	$100,000	tbd	tbd
[redacted]	NYC Vas Cluh	tbd	$250,000	$0	$25,000	tbd	tbd
[redacted]	Seattle	tbd	$750,000	$0	$75,000	tbd	tbd
[redacted]	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
[redacted]	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
[redacted]	DC Dinner (check)	tbd	$750,000	$0	$10,000	tbd	tbd
[redacted]	Coffee	tbd	$400,000	$0	n/a	n/a	$0
[redacted]	Coffee	tbd	$400,000	$0	n/a	n/a	$0
[redacted]	WH Conference	tbd	$1,000,000	$0	$200,000	tbd	tbd
[redacted]	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
[redacted]	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
[redacted]	Philadelphia	tbd	$250,000	$0	$25,000	tbd	tbd
[redacted]	Pittsburgh	tbd	$250,000	$0	$25,000	tbd	tbd
[redacted]	Orlando	tbd	$250,000	$0	$25,000	tbd	tbd
[redacted]	Coffee (servicing)	tbd	n/a	n/a	n/a	n/a	$0
[redacted]	Jackson, MS	tbd	$250,000	$0	$25,000	tbd	tbd
[redacted]	Boston	tbd	$250,000	$0	$25,000	tbd	tbd
[redacted]	Cincinnati	tbd	$250,000	$0	$25,000	tbd	tbd
[redacted]	Portland	tbd	$50,000	$0	$5,000	tbd	tbd
TOTAL			$11,950,000	$0	$1,020,000	$0	($1,020,000)
					Salary Expense	$260,000	
					Miscellaneous	$125,771	
					Total Expense	$1,384,771	

CGRO-0056
Req. 2/3/97

JULY (DATES NEEDED)

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	DC Dinner (Greek)	tbd	$1,000,000	$0	$100,000	tbd	tbd
POTUS	San Francisco Gala	tbd	$750,00	$0	$75,000	tbd	tbd
POTUS	San Francisco Sax	tbd	$100,000	$0	$10,000	tbd	tbd
POTUS	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
POTUS	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
POTUS	Coffee	tbd	$400,000	$0	n/a	n/a	$0
POTUS	Coffee	tbd	$400,000	$0	n/a	n/a	$0
POTUS	Denver	tbd	$750,000	$0	$50,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPOTUS	NYC	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Miami	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Memphis	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Memphis Sax	tbd	$50,000	$0	$5,000	tbd	tbd
VPOTUS	Coffee (servicing)	tbd	n/a	n/a	n/a	n/a	$0
FLOTUS	Las Vegas	tbd	$100,000	$0	$10,000	tbd	tbd
FLOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
FLOTUS	Little Rock	tbd	$250,000	$0	$25,000	tbd	tbd
MLG	Nashville	tbd	$50,000	$0	$5,000	tbd	tbd
MLG	Memphis	tbd	$50,000	$0	$5,000	tbd	tbd
TOTAL			*$5,850,000*	*$0*	*$385,000*	*$0*	*($385,000)*
				Salary Expense	*$260,000*		
				Miscellaneous	*$129,773*		
				Total Expense	*$774,773*		

CGRJ-0057
Req. 2/3/97

AUGUST (DATES NOT HELD)								
PRINCIPLE	EVENT/ENTREE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE	
[illegible]	Convention	tbd	$4,000,000	$0	$400,000	tbd	tbd	
[illegible]	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd	
[illegible]	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd	
[illegible]	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd	
[illegible]	Coffee	tbd	$400,000	$0	n/a	n/a	$0	
[illegible]	Coffee	tbd	$400,000	$0	n/a	n/a	$0	
[illegible]	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd	
[illegible]	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd	
[illegible]	Long Island	tbd	$250,000	$0	$25,000	tbd	tbd	
[illegible]	Convention (WH)	tbd	$500,000	$0	$100,000	tbd	tbd	
[illegible]	Hamptons (early)	tbd	$250,000	$0	$25,000	tbd	tbd	
Total			$7,800,000	$0	$575,000	$0	($575,000)	
				Salary Expense	$366,000			
				Miscellaneous	$129,773			
				Total Expense	$964,773			

CGRO-0058
Req. 2/3/97

SEPTEMBER (DATES NEEDED)

PRINCIPLE	EVENT/SOURCE	DATE	PRO. REVENUE	IN HAND	PRO. COST	ACTUAL COST	VARIANCE
POTUS	LA Gala (Streisand)	tbd	$3,000,000	$0	$300,000	tbd	tbd
POTUS	Los Angeles Sax	tbd	$200,000	$0	$20,000	tbd	tbd
POTUS	Baltimore	tbd	$500,000	$0	$50,000	tbd	tbd
POTUS	Miami Gala	tbd	$1,300,000	$0	$130,000	tbd	tbd
POTUS	DC Gala	tbd	$2,500,000	$0	$200,000	tbd	tbd
POTUS	DC Saxophone	tbd	$300,000	$0	$30,000	tbd	tbd
POTUS	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
POTUS	DC Dinner	tbd	$500,000	$0	$5,000	tbd	tbd
POTUS	Coffee	tbd	$400,000	$0	n/a	n/a	$0
POTUS	Coffee	tbd	$400,000	$0	n/a	n/a	$0
POTUS	Denver	tbd	$400,000	$0	$40,000	tbd	tbd
POTUS	Philadelphia	tbd	$400,000	$0	$40,000	tbd	tbd
POTUS	New Jersey	tbd	$400,000	$0	$40,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$0	$5,000	tbd	tbd
VPOTUS	Raleigh	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Atlanta	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Nashville	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Pittsburgh	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	NYC	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Tallahassee	tbd	$200,000	$0	$20,000	tbd	tbd
VPOTUS	Richmond	tbd	$250,000	$0	$25,000	tbd	tbd
VPOTUS	Columbus	tbd	$250,000	$0	$25,000	tbd	tbd
FLOTUS/MLG	Atlanta	tbd	$250,000	$0	$50,000	tbd	tbd
FLOTUS/MLG	Los Angeles	tbd	$400,000	$0	$80,000	tbd	tbd
MLG	Houston	tbd	$50,000	$0	$5,000	tbd	tbd
MLG	Dallas	tbd	$50,000	$0	$5,000	tbd	tbd
MLG	Tulsa	tbd	$50,000	$0	$5,000	tbd	tbd
TOTAL			*$14,050,000*	*$0*	*$1,210,000*	*$0*	*($1,210,000)*
				Salary Expense	*$260,000*		
				Miscellaneous	*$129,773*		
				Total Expense	*$1,599,773*		

CGRO-0059
Rec. 2/3/97

DEMOCRATIC NATIONAL COMMITTEE BUDGET/ FUNDRAISING PRESENTATION TO THE PRESIDENT ON 6 JUNE 1996

CGRO-1771
Req. 2/3/97

Official Travel

CGRO-1772
Req. 2/3/97

DNC Budget / Fundraising
Memo June 1996

CGRO-1773
Req. 2/3/97

Agenda for DNC meeting on 6 June 1996

1. Introduction/ purpose

-DNC

- fundraising

Non-Responsive Material
Has Been Redacted

3. DNC fundraising

a) total projected to be raised

b) total raised to date

c) cash flow
-federal
-non federal

d) number of events scheduled for President, Vice President, et. al.

e) revised fundraising plan and additional events requested

f) birthday party

-Saturday or Sunday 17 or 18 August
-New York City
-closed circuit tv satellite to 50-60 locations (at least 1 in each state)
-anticipated gross and costs

g) proposed September/ October schedule

h) ability to make 441a(d) expenditures during June, July, August

i) estimates of ability to meet fundraising goals

CGRO-1774
Req. 2/3/97

DNC

j) recommended reductions of total spending down to $125 million

---

Non-Responsive Material
Has Been Redacted

CGRO-1775
Req. 2/3/97

Index - DNC budget/fundraising 6/6/96

Tabs

A - Estimated fundraising for calendar 1996

B - Financial summary 5/31/96

C - Federal/non federal splits 5/30/96

D - Number of DNC fundraising events for President, Vice President, HRC, MEG, month by month

E - Revised fundraising plan 6/15/96

F - Monthly calendar fundraising event by event 6/5/96

Non-Responsive Material Has Been Redacted

CGRD-1776
Req. 2/3/97

US OFFICE PRODUCTS

CGRO-1777
Req. 2/3/97

6/6/96

Fundraising for calendar 1996 (January - October)

A. Anticipated DNC related expenditures (millions)

		Total	Spent as of 5/31/96	Remaining
1.	operations budget	$53.0	$19.4	$33.6
2.	Convention Budget(est.)	1.0	-0-	1.0
3.	Calendar 1996 media to 8/15 (incl. commission/production)			
	-spring to 8/31	21.8	17.5	4.3
	-summer(June, July, Aug.)	8.0	-0-	8.0
	-additional (?)	7.0	-0-	7.0
	-production	.5	-0-	.5
4.	GOTV media	2.5	-0-	2.5
5.	coordinated campaign	25.0	2.5	22.47
6.	targeted phone/mail GOTV	15.0	-0-	15.0
7.	441a(d) (hard)	12.0	-0-	12.0
8.	DCCC -transfer (hard)	1.0	.5	.5
	-events (hard)	1.0	?	?
9.	DSCC (requested) (soft)	1.0	-0-	?
		148.8 subtotal		
10.	generic media (?)	15.0	-0-	15.0
		163.8		

Non-Responsive Material Has Been Redacted

CGRO-1778
Req. 2/3/97

Tab A, p 1

REDACTED MATERIAL

THIS PAGE IS NON-RESPONSIVE

REDACTED MATERIAL

CGRD-1779
Req. 2/3/97

US OFFICE PRODUCTS

CGRO-1780
Req. 2/3/97

Democratic National Committee
Financial Summary
05/31/96

Tab B

Non-Responsive Material
Has been Redacted

CGRO-1781
Req. 2/3/97

Year to Date Fundraising Deposit Summary:

	Direct Mail	Major Donor	Totals
January Deposits	$ 756,604	$ 2,259,557	$ 3,016,161
February Deposits	1,755,724	4,840,271	6,595,995
March Deposits	2,821,652	5,781,930	8,603,582
April Deposits	2,675,625	11,801,335	14,476,960
May Deposits	2,231,159	11,580,740	13,811,899
Totals	$ 10,240,764	$ 36,263,833	$ 46,504,597

Note: In addition to the above deposited funds, the DNC will receive approximately $940,000 from the NJ fundraiser and also in ad to the above deposits, we have $562,538 in checks which are in process.

6/5/96

Tab B, p1

1996 Totals

	Raised to date		
	Major Donor	**Direct Mail**	**Donor Directed**
January	$2,259,557	$756,604	$155,000
February	$4,840,271	$1,755,724	$45,000
March	$5,781,930	$2,821,652	$345,000
April	$11,801,335	$2,675,625	$323,500
May	$13,083,278	$2,231,159	$720,000
June	$1,270,874		$20,000
July			
August			
September			
October			
Totals:	$39,037,245	$10,240,764	$1,608,500

CGRO-1782
Req. 2/3/97

B, p2

4 June, 1996 **Democratic National Committee**

May

Coordinated Campaign Directed Donor:

	Prior Months	Soref	VanAm.	Pepper	Chippewa	P. Morris	Bldg. Finance	Williams Oil	Opperman	Union Pacific	Cofrin	Monthly Totals	YTD Totals
AL								10,000				10,000	10,000
AZ												0	0
AR							20,000			15,000		35,000	35,000
CA							20,000	10,000	25,000	15,000		70,000	70,000
CO							20,000			15,000		35,000	35,000
CT									5,000			5,000	5,000
DE						5,000			5,000			10,000	10,000
FL							20,000	10,000				30,000	30,000
GA												0	0
IL					60,000			10,000		15,000		85,000	85,000
IA											25,000	25,000	25,000
KY												0	0
LA								10,000				10,000	10,000
MA		5,000	5,000	5,000								15,000	15,000
ME					30,000							30,000	30,000
MD/DNC					4,000				4,000			8,000	8,000
MI												0	0
MN												0	0
MO	3,500				16,000	60,000						76,000	79,500
MT												0	0
NE							50,000					50,000	50,000
NV						25,000						25,000	25,000
NJ	10,000								25,000			25,000	35,000
NM						10,000						10,000	10,000
NY	15,000		5,000	5,000	40,000				69,000			119,000	134,000
NC												0	0
OH												0	0
OR												0	0
PA	10,000										25,000	25,000	35,000
RI	5,000								11,000			11,000	16,000
TN												0	0
TX												0	0
VA										15,000		15,000	15,000
WA									11,000			11,000	11,000
WI												0	0
	43,500	5,000	10,000	10,000	150,000	100,000	130,000	50,000	155,000	75,000	50,000	0 719,000	778,500

CGRO-1789
Req. 2/3/97

4 June, 1996 **Democratic National Committee**

May

Coordinated Campaign Directed Donor:

	Prior Months	Soref	VanAm	Pepper	Chippewa	P. Morris	Bldg. Finance	Williams Oil	Opperman	Union Pacific	Cofrin	-	Monthly Totals	YTD Totals
AL								10,000					10,000	10,000
AZ													0	0
AR							20,000			15,000			35,000	35,000
CA							20,000	10,000	25,000	15,000			70,000	70,000
CO							20,000			15,000			35,000	35,000
CT									5,000				5,000	5,000
DE						5,000			5,000				10,000	10,000
FL							20,000	10,000					30,000	30,000
GA													0	0
IL					60,000			10,000		15,000			85,000	85,000
IA											25,000		25,000	25,000
KY													0	0
LA								10,000					10,000	10,000
MA		5,000	5,000	5,000									15,000	15,000
ME					30,000								30,000	30,000
MD/DNC					4,000				4,000				8,000	8,000
MI													0	0
MN													0	0
MO	3,500				16,000	60,000							76,000	79,500
MT													0	0
NE							50,000						50,000	50,000
NV						25,000							25,000	25,000
NJ	10,000								25,000				25,000	35,000
NM						10,000							10,000	10,000
NY	15,000		5,000	5,000	40,000				69,000				119,000	134,000
NC													0	0
OH													0	0
OR													0	0
PA	10,000										25,000		25,000	35,000
RI	5,000								11,000				11,000	16,000
TN													0	0
TX													0	0
VA										15,000			15,000	15,000
WA									11,000				11,000	11,000
WI													0	0
	43,500	5,000	10,000	10,000	150,000	100,000	130,000	50,000	155,000	75,000	50,000	0	735,000	778,500

CGRO-1789
Req. 2/3/97

US OFFICE PRODUCTS

CGRO-1790
Req. 2/3/97

06/06/96

DNC Fundraising Events

Projected 2/22/96						Projected 5/30/96					
Month	# Events P	# Events VP	# Events HRC/MEG/ other	Projected major donor $	Projected Direct mail $		# Events P	# Events VP	# Events HRC/MEG/ Other	Projected major donor $	Projected Direct mail $
Jan	7	0	0	2,350,000	1,113,000	*	7	0	0	2,259,557	756,604
Feb	11	5	2	5,040,000	2,303,604	*	11	6	2	4,840,271	1,755,724
Mar	15	10	2	8,900,000	2,907,446	*	10	7	1	5,781,930	2,821,652
Apr	13	8	3	12,450,000	2,285,792	*	8	8	4	11,801,335	2,875,625
May	11	5	1	9,900,000	2,014,279		14	5	4	13,000,000	1,818,557
June	13	5	3	11,500,000	2,103,605		21	3	5	14,100,000	2,100,000
Jul	9	6	4	6,550,000	3,402,038		15	7	9	13,400,000	3,100,000
Aug	5	3	2	7,300,000	3,875,577		13	3	3	19,900,000	4,000,000
Sept	13	9	6	13,350,000	4,627,144		9	10	3	12,700,000	4,400,000
Oct	13	7	5	13,050,000	5,900,635		7	5	5	10,600,000	4,800,000
Subtotal	110	58	28	90,390,000	30,533,320	Subtotal	115	54	36	108,383,093	28,228,162
TOTAL					$120,923,320	TOTAL					$136,611,255
						* In hand					

758

CGRO-1791
Req. 2/3/97

Tab D

US OFFICE PRODUCTS

CGRO-1792
Req. 2/3/9

6/5/96

Revised fund raising Plan

Tab E

During the period 1/1/96 through 5/31/96, the Democratic National Committee's Finance Division raised $37,779,093 in major donor revenue. Of this amount, $9,066,982 (24%) was federal, $18,133,965 (48%) was non-federal corporate and $10,578,146 (28%) was non-federal individual money. Prior to the month of April, the Finance Division was averaging 36% in federal dollars. In May, however, the percentage of federal income decreased due the large influx of non-federal money raised through the National Gala in Washington, D.C. This revenue breakdown is atypical as illustrated by the fact that the Miami Gala revenue was comprised of 42% federal funds.

Moving forward, our goal is to raise a additional $70,700,000 in major donor revenue through November 5, 1996. We believe that we can raise $32,522,000 (46%) in federal, $21,210,000 (30%) in non-federal corporate and $16,968,000 (24%) in non-federal individual money. We have carefully analyzed the events that are currently requested and we project that through these particular events we can raise $29,967,000 in federal money. This represents 42% of total revenue.

We believe we can increase our percentage of federal income by increasing the number of low dollar events such as Saxophone Club, WLF and large galas. These events yield an extremely high ratio of federal to non-federal dollars. To date, we have held only 1 Saxophone and 3 WLF events. Over the next 5 months, we are planning an additional 8 Saxophone and 20 WLF events and anticipate requesting an additional 15 and 8 respectively. In addition, the August 19th Birthday Celebration is expected to raise 80% of its revenue in federal money.

As mentioned earlier, our ultimate goal for the remainder of this year is to raise $32,522,000 in federal funds. We believe we can make up the difference between this and the $29,967,000 outlined above through the August 19th event. Because we do not know the ultimate effect it will have on our future low dollar events, we have not included in our revenue projections the anticipated proceeds from the nationwide satellite events to be held in conjunction with the August 19th event. We believe that we will raise $50,000 from each state for an additional $2,500,000. This income will bring our overall percentage of federal money to 46%.

Attached is our plan to increase the percentage of federal income from all events through 11/5/96.

CGRO-1793
Req. 2/3/97

E; P1

6/5/96

FEDERAL REVENUE PLAN

1. Change the structures of the levels of contribution for event tickets and tables as follows:

   Ticket or seat
   $1,000 federal
   $1,500 non-federal

   Table
   $10,000-$15,000 federal
   $15,000-$20,000 non-federal

2. Be more specific in our solicitation about the need for federal money. We do not currently push our donors as hard as we should to get every federal dollar out of each contribution. We will also make an increased effort to articulate the need for federal funds to our steering committee members and our finance board of directors for future presidential events. We will institute a follow-up program so that after checks are received, we will call the donors to request that as high a portion as possible be made federal.

3. Use cabinet and WH staff as honored guests for fund-raisers in cities where we are not taking the four principals. These events raise 80-90 percent in federal funds. The following are cities in which we will target for cabinet events:

   SOUTH

   Columbia, SC
   Jacksonville, FL
   Tallahassee, FL
   Orlando, FL
   Raleigh, NC
   Charlotte, NC
   Richmond, VA
   Lexington, KY
   Louisville, KY
   Charleston, W.V.
   Atlanta, GA
   Montgomery, AL

   MID-WEST

   Omaha, NE
   Springfield, MO

CGRO-1794
Req. 2/3/97

E, P2

St. Louis, MO
Kansas City, MO
Des Moines, IA
Springfield, IL
Madison, WI
Ann Arbor, MI
Toledo, OH
Wichita, KS

SOUTHWEST
Tulsa, OK
Dallas, TX
Austin, TX
Santa Fe, NM
Ft. Worth, TX
Tucson, AZ

NORTHEAST

Portland, ME
Providence, RI
Hartford, CT
Albany, NY
Syracuse, NY
Burlington, VT
Manchester, NH
Newport, RI
Harrisburg, PA

WEST

Spokane, WA
Sacramento, CA
Fresno, CA
Reno, NV

4. Place greater emphasis on our $1,000 donor program, The Chairman's Council. Chairman's Council members will be placed on our fax system and also receive an invitation to a political briefing by White House, Clinton/Gore and DNC leadership in August. We believe we can raise $500,000 - $750,000 in this manner.

5. Retain experienced consultants in selected states whose focus will be on targeting individuals and soliciting federal dollars. We will place incremental goals (month by month) for each of the states.

CGRO-1795
Req. 2/3/97

E, P3

US OFFICE PRODUCTS

CGRO-1796
Req. 2/3/97

6/5/96

6/5/96

To

REVENUE AND EXPENSE SUMMARY												
PROJECTED REVENUE												
	Principal Event Total	$108,116,371									$113,116,371	
	Direct Mail Total	$28,387,272									$28,387,272	
	Arts Project	$500,000									$500,000	
	Terry McAuliffe	$5,000,000									$5,000,000	
	Total	$142,003,643									$147,003,643	
RAISED TO DATE												
	Major Donor	$37,766,371										
	Direct Mail	$9,987,272										
	Total	$47,753,643										

CGRO-1797
Req. 2/3/97

F

JANUARY											
PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	DC Lunch (Texas) *	5-Jan	$500,000				$400,000		$5,000	$4,479	($521)
P/VPOTUS	Nashville Reception	12-Jan	$150,000				$150,000		$25,000	$27,560	$2,560
POTUS	Coffee	17-Jan	$400,000				$400,000		n/a	n/a	n/a
POTUS	Coffee	25-Jan	$400,000				$400,000		n/a	n/a	$0
POTUS	Coffee	26-Jan	$400,000				$400,000		n/a	n/a	$0
POTUS	Finance Board Lunch	29-Jan	n/a				n/a		$20,000	$2,500	nbd
POTUS	DC Dinner	29-Jan	$500,000				$490,000		$5,000	$8,597	$3,597
	Event Total		*$2,350,000*				*$2,259,557*		*$55,000*	*$43,136*	*$5,636*
	Direct Mail/Marketing		*$756,604*								
	TOTAL		*$3,106,604*								

** Also raised $155,000 for the Texas State Party*

Brad Marshall

Scott Fredda

CGRO-1798
Req. 2/3/97

F1

AUGUST (DATES NEEDED)											
PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO CURR	PRO MIX	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	Coffee	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	n/a
POTUS	Allianz Olympics	tbd	$200,000	$200,000	$100,000	$100,000	$0		$50,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$15,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$15,000	tbd	tbd
VPOTUS	Long Island	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS/MEG	Convention (WLF)	tbd	$300,000	$300,000	$0	$0	$0		$80,000	tbd	tbd
FLOTUS	Hampton (early)	tbd	$250,000	$200,000	$0	$50,000	$0		$25,000	tbd	tbd
CABINET	tbd	tbd	$200,000	$180,000	$0	$20,000	$0		$20,000	tbd	tbd
	Event Total		$2,400,000	$1,220,000	$700,000	$480,000	$0		$110,000	$0	$0

CGRO-1806
Req. 2/3/

SEPTEMBER (DATES NEEDED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO. FED	PRO CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	LA Gala (Streisand)	tbd	$3,000,000	$1,200,000	$1,200,000	$600,000	$0		$300,000	tbd	tbd
POTUS	Los Angeles Sax	tbd	$200,000	$200,000	$0	$0	$0		$20,000	tbd	tbd
POTUS	Miami Gala *	tbd	$1,300,000	$520,000	$520,000	$260,000	$0		$130,000	tbd	tbd
POTUS	DC Gala	tbd	$1,500,000	$450,000	$750,000	$300,000	$0		$150,000	tbd	tbd
POTUS	DC Saxophone	tbd	$200,000	$200,000	$0	$0	$0		$20,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$10,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$10,000	tbd	tbd
POTUS	Philadelphia *	tbd	$600,000	$240,000	$240,000	$120,000	$0		$60,000	tbd	tbd
POTUS	New Jersey * (9)	tbd	$600,000	$240,000	$240,000	$120,000	$0		$60,000	tbd	tbd
VPOTUS	Baltimore *	tbd	$250,000	$100,000	$100,000	$50,000	0		$25,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	DC Diner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	Cleveland *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	San Francisco	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Nashville *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Pittsburgh *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	NYC	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Tallahassee *	tbd	$200,000	$80,000	$80,000	$40,000	$0		$20,000	tbd	tbd
VPOTUS	Columbus * (10)	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS/MEG	New Jersey *	tbd	$250,000	$250,000	$0	$0	$0		$50,000	tbd	tbd
FLOTUS/MEG	Los Angeles	tbd	$400,000	$400,000	$0	$0	$0		$80,000	tbd	tbd
CABINET	tbd	tbd	$200,000	$180,000	$0	$20,000	$0		$20,000	tbd	tbd
	Event Total		*$12,700,000*	*$5,600,000*	*$4,730,000*	*$2,310,000*	*$0*		*$1,115,000*	*$0*	*($1,115,000)*
	Direct Mail/Marketing		*$4,400,000*								
	TOTAL		*$17,100,000*								

*The following are the cities we predict the principals will visit for political purposes.

CGRO-190
Req. 2/3

OCTOBER DATES NEEDED

PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO CORP	PRO NFE	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	Detroit *	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	NYC Gala	tbd	$1,000,000	$1,200,000	$1,200,000	$600,000	$0		$300,000	tbd	tbd
POTUS	NYC Saxophone	tbd	$300,000	$300,000	$0	$0	$0		$30,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,500,000	$600,000	$600,000	$300,000	$0		$150,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Portland*	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
POTUS	Seattle *	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
VPOTUS	Chicago *	tbd	$300,000	$120,000	$120,000	$60,000	$0		$30,000	tbd	tbd
VPOTUS	Denver *	tbd	$300,000	$120,000	$120,000	$60,000	$0		$30,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
VPOTUS	Minneapolis *	tbd	$330,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Cincinnati *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS/MEO	DC Dinner	tbd	$330,000	$130,000	$130,000	$50,000	$0		$50,000	tbd	tbd
FLOTUS/MEO	NYC	tbd	$300,000	$300,000	$0	$0	$0		$60,000	tbd	tbd
FLOTUS	Philadelphia *	tbd	$400,000	$400,000	$0	$0	$0		$40,000	tbd	tbd
MEO	Pittsburgh *	tbd	$50,000	$50,000	$0	$0	$0		$5,000	tbd	tbd
CABINET	tbd	tbd	$200,000	$180,000	$0	$20,000	$0		$20,000	tbd	tbd
	Event Total		$10,000,000	$5,030,000	$3,690,000	$1,090,000	$0		$831,000	$0	($831,000)
	Direct Mail/Marketing		$4,000,000								
	TOTAL		$15,000,000								

* *The following are the cities we predict the principals will visit for political purposes.*

CGRO-1806
Req. 2/3/

US OFFICE PRODUCTS

CGRC-1809
Req. 2/3/97

DEMOCRATIC NATIONAL COMMITTEE
1996 Operating Budget Report

5/22/96
Tab 6

22 May, 1996

	Revised Budget	Actual YTD Personnel	Actual YTD Other Costs	Actual YTD Total	Remaining Budget	% Of Year Remaining	% Of Budget Remaining
Fundraising:							
Major Donor Fundraisng	11,033,140	860,351	1,926,130	2,786,481	8,246,659	67	75
Direct Mail	11,339,423	104,031	3,047,810	3,151,841	8,187,582	67	72
Sub-Total	22,372,563	964,382	4,973,940	5,938,322	16,434,241		

Non-Responsive Material
Has Been Redacted

770

CCRO-1810
Req. 2/2/97

Tab

51

15 May, 1996

Democratic National Committee
State Party Fundraising Splits

	Federal	N/Federal	Total
Texas	$ 20,650	$ 188,755	$ 209,405
Pennsylvania	*	8,500 *	8,500 *
California		10,000	10,000
New Mexico		37,500	37,500
Colorado		83,000	83,000
	$ 20,650	$ 327,755	$ 348,405

* Additional Money Is Due Pennsylvania Pending the Tally of the Event Net Proceeds.

CGRO-1811
Req. 2/3/97

REDACTED MATERIAL

TWO PAGES ARE NON-RESPONSIVE

REDACTED MATERIAL

CGRO-1812
Req. 2/3/97

DEMOCRATIC NATIONAL COMMITTEE
Federal/Non-Federal Split

22 May, 1996

	Remaining Budget	Estimated Federal	Estimated N/Fed. Other	Estimated N/Federal 1:
Fundraising:				
Major Donor Fundraising	8,246,659	2,886,331	5,360,328	0
Direct Mail	8,187,582	8,187,582	0	0
Sub-Total	16,434,241	11,073,913	5,360,328	0

Non-Responsive Material Has Been Redacted

CGRO-1813
Req. 2/3/97

Less: Direct Mail (Originally Projected Additional $22 million,

Needed From Major Donor	$ 88,316,885	$ 39,892,755	$ 27,424,475	$ 20,999,655

US OFFICE PRODUCTS

CGRO-1814
Req. 2/3/97

REDACTED MATERIAL

TAB H IS NON-RESPONSIVE

REDACTED MATERIAL

CGRO-1815
Req. 2/3/97

US OFFICE PRODUCTS

CGRO-1816
Req. 2/3/97

REDACTED MATERIAL

TAB I IS NON-RESPONSIVE

REDACTED MATERIAL

CGRO-1817
Req. 2/3/97

DNC budget/finance memorandum
to President 6/6/96

CGRO-1818
Req. 2/3/97

Manifest for 6 June DNC Budget/fundraising meeting

President
Vice President
Leon Panetta
Evelyn Lieberman
Harold Ickes
Doug Sosnik
Karen Hancox
Ron Klain
Skila Harris

Peter Knight
Terry McAuliffe
Laura Hartigan

Don Fowler
Chris Dodd
Michael Powell
Brad Marshall
Marvin Rosen
Richard Sullivan
Scott Pastrick
B.J. Thornberry

2| Michael Berman

CGRO-1819
Req. 2/3/97

THE REMAINDER OF THIS DOCUMENT
IS IDENTICAL TO PAGES NUMBERED
(CGRO-1771) - (CGRO-1817)
WHICH IS THE IMMEDIATE
PRECEEDING DOCUMENT.

CGRO-1820
Req. 2/3/97

St. Louis, MO
Kansas City, MO
Des Moines, IA
Springfield, IL
Madison, WI
Ann Arbor, MI
Toledo, OH
Wichita, KS

SOUTHWEST
Tulsa, OK
Dallas, TX
Austin, TX
Santa Fe, NM
Ft. Worth, TX
Tucson, AZ

NORTHEAST

Portland, ME
Providence, RI
Hartford, CT
Albany, NY
Syracuse, NY
Burlington, VT
Manchester, NH
Newport, RI
Harrisburg, PA

WEST

Spokane, WA
Sacramento, CA
Fresno, CA
Reno, NV

4. Place greater emphasis on our $1,000 donor program, The Chairman's Council. Chairman's Council members will be placed on our fax system and also receive an invitation to a political briefing by White House, Clinton/Gore and DNC leadership in August. We believe we can raise $500,000 - $750,000 in this manner.

5. Retain experienced consultants in selected states whose focus will be on targeting individuals and soliciting federal dollars. We will place incremental goals (month by month) for each of the states.

CGRO-1795
Req. 2/3/97

E, P3

US OFFICE PRODUCTS

CGRO-1796
Req. 2/3/97

6/5/96

6/5/96

To

REVENUE AND EXPENSE SUMMARY												
PROJECTED REVENUE												
	Principal Event Total	$108,116,371						10			$113,116,371	
	Direct Mail Total	$28,387,272									$28,387,272	
	Arts Project	$500,000									$500,000	
	Terry McAuliffe	$5,000,000									$5,000,000	
	Total	$142,003,643						10			$147,003,643	
RAISED TO DATE												
	Major Donor	$37,766,371										
	Direct Mail	$9,987,272										
	Total	$47,753,643										

CGRO-1797
Req. 2/3/97

JANUARY

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	DC Lunch (Texas) *	5-Jan	$100,000				$400,000		$5,000	$4,479	($521)
P/VPOTUS	Nashville Reception	12-Jan	$150,000				$150,000		$25,000	$27,560	$2,560
POTUS	Coffee	17-Jan	$400,000				$400,000		n/a	n/a	n/a
POTUS	Coffee	25-Jan	$400,000				$400,000		n/a	n/a	$0
POTUS	Coffee	26-Jan	$400,000				$400,000		n/a	n/a	$0
POTUS	Finance Board Lunch	29-Jan	n/a				n/a		$20,000	$2,500	n/a
POTUS	DC Dinner	29-Jan	$500,000				$490,000		$5,000	$8,597	$3,597
	Event Total		*$2,150,000*				*$2,239,337*		*$55,000*	*$43,136*	*$3,636*
	Direct Mail/Marketing		*$716,684*								
	TOTAL		$3,104,684								

* *Also raised $135,000 for the Texas State Party*

CGRO-1798
Req. 2/3/97

FEBRUARY											
PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	New Hampshire	2-Feb	$250,000				$250,000		n/a	n/a	$0
POTUS	Coffee	6-Feb	$400,000				$400,000		n/a	n/a	$0
POTUS	DC Dinner **	8-Feb	n/a **				n/a		$20,000	$20,000	$0
POTUS	Coffee	12-Feb	$400,000				$400,000		n/a	n/a	$0
POTUS	NYC Gala	15-Feb	$250,000				$291,300		$50,000	$49,500	($500)
POTUS	NYC Sax Club	15-Feb	$15,000				$24,850		$10,000	$13,085	$3,085
POTUS	DC Dinner (DBC)	19-Feb	$1,000,000				$845,000		$20,000	$12,925	($7,075)
POTUS	DC Dinner (Asian)	19-Feb	$500,000				$813,880		$10,000	$12,000	$2,000
POTUS	DC Dinner	21-Feb	$500,000				$450,000		$5,000	$5,900	$900
POTUS	Coffee	22-Feb	$400,000				$340,000		n/a	n/a	n/a
POTUS	LA Dinner ***	23-Feb	n/a ***				n/a ***		n/a	tbd	tbd
VPOTUS	DBC Conference **	19-Feb	$200,000				$201,000		$176,000	$199,800	$23,800
VPOTUS	Miami	19-Feb	$200,000				$159,500		$20,000	$4,000	($16,000)
VPOTUS	DC Lunch (servicing)	21-Feb	n/a				n/a		$4,000	$3,000	($1,000)
VPOTUS	Cinncinnati	26-Feb	$200,000				$225,000		$20,000	$12,500	($7,500)
VPOTUS	Columbus	26-Feb	$200,000				$174,500		$20,000	$12,500	($7,500)
VPOTUS	NYC	27-Feb	$250,000				$200,000		$10,000	$0	($10,000)
FLOTUS/MEG	WLF Philadelphia	26-Feb	$225,000				$231,100		$40,000	$64,000	$24,000
MEG	Orange County	13-Feb	$50,000				$35,350		$10,000	$4,000	($6,000)
n/a	Donor Directed						$45,000				
	Event Total		*$5,040,000*				*$4,840,271*		*$415,000*	*$413,210*	*($1,790)*
	Direct Mail/Marketing		*$1,755,724*								
	TOTAL		*$6,795,724*								

*** Servicing Events*

**** Money will come in March numbers*

CGRO-1799
Req. 2/3/

F.

MARCH (DATES RECEIVED)												
PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO COMP	PRO NPI	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	Detroit Lunch ****	4-Mar	$500,000				$493,000		$30,000	$33,015	$3,015
POTUS	Coffee	5-Mar	$400,000				$400,000		n/a	$0	$0
POTUS	San Francisco Reception	9-Mar	$500,000				$611,000		$5,000	$6,270	$1,270
POTUS	DC Dinner	13-Mar	$400,000				$400,000		$5,000	$4,986	($14)
POTUS	DC Dinner	19-Mar	$400,000				$406,000		$5,000	$14,008	$9,008
POTUS	DC Dinner	19-Mar	$400,000				$400,000		$5,000	$3,890	($1,110)
POTUS	Cincinnati Lunch	23-Mar	$500,000				$510,000		$40,000	$12,163	($27,837)
POTUS	DC Dinner	23-Mar	$500,000				$270,000		$5,000	$4,398	($602)
POTUS	Trustee Dinner	27-Mar	n/a				$0		$20,000	$20,000	$0
POTUS	Coffee	28-Mar	$400,000				$400,000		n/a	n/a	$0
VPOTUS	Denver	2-Mar	$250,000				$257,000		$25,000	$48,023	$23,023
VPOTUS	Coffee (servicing)	5-Mar	n/a				$0		n/a	n/a	$0
VPOTUS	Kansas City	6-Mar	$250,000				$141,000		$25,000	$3,937	($21,063)
VPOTUS	Houston/Dallas	18-Mar	$250,000				$160,000		$25,000	$2,500	($22,500)
VPOTUS	DC Lunch	19-Mar	$200,000				$200,000		$5,000	$3,864	($1,136)
VPOTUS	DC Lunch	22-Mar	$200,000				$202,000		$5,000	$1,324	($3,676)
VPOTUS	Milwaukee Lunch	26-Mar	$250,000				$201,000		$25,000	$7,000	($18,000)
FLOTUS	Minneapolis	1-Mar	$50,000				$50,000		$1,000	$1,609	($1,391)
	unallocated event revenue						$169,000				
	DC Gala (May 8)						$306,000				
	Miami Gala (April 29)						$130,000				
	Event Total		$5,450,000				$5,761,930		$226,000	$167,107	($60,893)
	Direct Mail/Marketing		$2,021,632								
	TOTAL		$8,771,632								

CGRO-1800
Req. 2/3/9

F

APRIL (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Coffee	1-Apr	$400,000				$400,000		$0	n/a	$0
POTUS	DC Dinner	4-Apr	$500,000				$510,000		$5,000	$3,320	($1,680)
POTUS	DC Dinner	8-Apr	$500,000				$500,000		$5,000	$3,308	($1,692)
POTUS	DC Dinner	8-Apr	$500,000				$400,000		$5,000	$3,250	($1,750)
POTUS	Baltimore Dinner	10-Apr	$600,000				$560,335		$60,000	$28,790	($31,210)
POTUS	DC Dinner (servicing)	11-Apr	n/a				n/a		$20,000	$24,014	$4,014
POTUS	Philadelphia Dinner	26-Apr	$650,000				$1,350,000		$65,000	$62,209	($2,791)
POTUS	Miami Gala	29-Apr	$2,000,000				$2,638,000		$200,000	$184,700	($15,300)
POTUS	LA Event (see Feb.)	n/a	$1,500,000				$1,000,000		n/a	n/a	$0
	• Mar 8 Dinner										
VPOTUS	New Orleans	11-Apr	$250,000				$176,000		$25,000	$4,400	($20,600)
VPOTUS	Coffee (servicing)	12-Apr	n/a				n/a		$0	$0	$0
VPOTUS	Albuquerque Dinner	16-Apr	$250,000				$242,000		$25,000	$24,810	($190)
VPOTUS	Phoenix Lunch	16-Apr	$250,000				$200,000		$25,000	$24,500	($500)
VPOTUS	DC Lunch (servicing)	17-Apr	n/a				$0		$5,000	$1,460	($3,540)
VPOTUS	Coffee (servicing)	26-Apr	n/a				n/a		$0	$0	$0
VPOTUS	Los Angeles Lunch	29-Apr	$325,000				($130,000)		$25,000	$3,000	($22,000)
VPOTUS	San Jose Dinner	29-Apr	$325,000				($101,000)		$25,000	$3,000	($22,000)
SHALALA	San Juan	29-Apr	$100,000				($50,000)		$5,000	$1,500	($3,500)
FLOTUS	Miami	22-Apr	$250,000				$251,000		$50,000	$47,613	($2,387)
FLOTUS	New York Lunch	22-Apr	$250,000				$150,000		$50,000	$272	($49,728)
MEG	Cincinnati	25-Apr	$50,000				$36,000		$5,000	$1,500	($3,500)
	POTUS DC Gala	8-May					$3,278,000				
	proceeds from past events						$110,000				
	donor direct media fund						$123,500				
	Event Total		*$8,700,000*				*$11,601,335*		*$690,000*	*$421,646*	*($178,154)*
	Direct Mail/Marketing		*$2,675,625*								
	TOTAL		*$11,375,625*								

Req. 2/3/97
CGRO-1801

MAY (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Coffee	1-May	$400,000				$400,000		n/a	n/a	$0
POTUS	Coffee	7-May	$400,000				$400,000		n/a	n/a	$0
POTUS	New Jersey Gala	7-May	$700,000				$700,000		$70,000	n/a	$0
P/VP/FLOTUS/	DC Gala	8-May	$5,550,000				$6,729,000		$450,000	$723,507	$273,507
							*[$10,313,925]				
POTUS	DC Sax	8-May	$200,000				$128,000		$20,000	$35,968	tbd
POTUS	Coffee	13-May	$0				$0		n/a	n/a	$0
POTUS	DC Dinner	13-May	$500,000				$300,000		$10,000	$11,860	tbd
POTUS	DC Dinner	13-May	$500,000				$500,500		$10,000	tbd	tbd
POTUS	DC Lunch	14-May	$400,000				$300,000		$5,000	tbd	tbd
POTUS	Coffee	17-May	$400,000				$300,000		n/a	n/a	$0
POTUS	DC Dinner	20-May	$400,000				$200,000		$25,000	$12,101	tbd
POTUS	WH Lunch	21-May	n/a				n/a		$10,000	$0	tbd
POTUS	DC Dinner	21-May	$500,000				$350,000		$25,000	$2,822	tbd
POTUS	Fairfield County	22-May	$1,200,000				$1,200,000		$120,000	$78,487	tbd
VPOTUS	Coffee (servicing)	2-May	n/a				n/a		n/a	n/a	$0
VPOTUS	Finance Board Lunch	8-May	n/a				n/a		$10,000	$10,000	tbd
VPOTUS	Coffee (servicing)	16-May	n/a				n/a		n/a	n/a	$0
VPOTUS	Minneapolis Lunch	22-May	$250,000				$150,000		$25,000	tbd	tbd
VPOTUS	NYC	28-May	$250,000				$180,000		$25,000	$1,870	tbd
FLOTUS	DC Lunch	14-May	$200,000				$117,025		$5,000	tbd	tbd
FLOTUS/MEG	Denver	21-May	$200,000				$37,753		$40,000	$12,760	tbd
FLOTUS	NYC	29-May	$500,000				$400,000		$50,000	$49,576	tbd
MEG	Seattle	22-May	$50,000				$10,000		$5,000	$5,000	tbd
		Terry McAuliffe	$400,000				$400,000				
			proceeds from past events				$281,000				
			donor directed				$720,000				
	Event Total		*$13,000,000*				*$13,083,278*		*$905,000*	*$943,951*	tbd
	Direct Mail/Marketing		*$1,818,557*								
	TOTAL		*$14,818,557*								

CGRO-1802
Req. 2/3/97

F

JUNE (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	FED. IN	PRO. COST	ACTUAL COST	VARIANCE
POTUS	DC Dinner (DBC)	3-Jun	$500,000	$200,000	$200,000	$100,000	$404,000		$5,000	tbd	tbd
POTUS	DC Dinner (Greek)	3-Jun	$500,000	$100,000	$300,000	$100,000	$450,000		$5,000	$99	tbd
POTUS	Coffee (Patricof)	3-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	DC Dinner (Big Donor)	4-Jun	$500,000	$100,000	$300,000	$100,000	$141,874		$5,000	tbd	tbd
POTUS	Coffee	6-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	Las Vegas	9-Jun	$400,000	$120,000	$200,000	$80,000	$0		$40,000	tbd	tbd
POTUS	San Francisco	9-Jun	$750,000	$225,000	$375,000	$150,000	$0		$75,000	$3,000	tbd
POTUS	Los Angeles Dinner	10-Jun	$1,200,000	$360,000	$600,000	$240,000	$0		$120,000	$2,077	tbd
POTUS	Los Angeles Sax	10-Jun	$200,000	$200,000	$0	$0	$0		$20,000	$24,185	tbd
POTUS	DC Dinner (Boston)	14-Jun	$500,000	$150,000	$250,000	$100,000	$50,000		$5,000	tbd	tbd
POTUS	DC Dinner (Big Donor)	14-Jun	$500,000	$100,000	$300,000	$100,000	$0		$5,000	tbd	tbd
POTUS	Coffee	17-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	DC Dinner (Jewish)	17-Jun	$750,000	$225,000	$375,000	$150,000	$0		$75,000	tbd	tbd
POTUS	Coffee (Kanchanalack)	18-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	NY Conference Call	20-Jun	$100,000	$40,000	$40,000	$20,000	$0		n/a	$0	tbd
POTUS	Coffee (servicing)	20-Jun	n/a				$0		n/a	$0	n/a
POTUS	Houston Gala	21-Jun	$1,300,000	$390,000	$650,000	$260,000	$0		$130,000	$2,947	tbd
POTUS	Houston Sax	21-Jun	$100,000	$100,000	$0	$0	$0		$10,000	tbd	tbd
POTUS	Cleveland	22-Jun	$500,000	$150,000	$250,000	$100,000	$0		$50,000	tbd	tbd
POTUS	NYC Dinner	24-Jun	$3,000,000	$1,200,000	$1,200,000	$600,000	$0		$300,000	$10,000	tbd
POTUS	Coffee (Middleton)	26-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
VPOTUS	Jackson, MS	3-Jun	$250,000	$50,000	$150,000	$50,000	$175,000		$25,000	tbd	tbd
VPOTUS	Philadelphia Dinner	17-Jun	$250,000	$75,000	$125,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Coffee (servicing)	19-Jun	n/a				n/a		n/a	n/a	$0
FLOTUS	Detroit Dinner	10-Jun	$150,000	$150,000	$0	$0	$0		$50,000	$288	tbd
FLOTUS	Cincinnati Lunch	12-Jun	$200,000	$160,000	$0	$40,000	$0		$25,000	tbd	tbd
FLOTUS	Boston	20-Jun	$200,000	$200,000	$0	$0	$0		$50,000	$1,330	tbd
FLOTUS	Seattle	26-Jun	$200,000	$140,000	$20,000	$40,000	$0		$50,000	tbd	tbd
CABINET	Spoleto	8-Jun	$50,000	$40,000	$0	$10,000	$0		$10,000	tbd	
						proceeds from past events	$50,000				
	Event Total		*$14,100,000*	*$4,675,000*	*$6,335,000*	*$3,090,000*	*$1,270,874*	*$0*	*$1,080,000*	*$43,927*	*$0*
	Direct Mail/Marketing		*$2,100,000*								
	TOTAL		*$16,200,000*								

CGRD-180
Req. 2/3

JULY (DATES NEEDED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP	PRO. NFL	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
P/FLOTUS/ME	WLF Conference	17-Jul	$1,000,000	$900,000	$0	$100,000	$0		$200,000	tbd	tbd
POTUS	Chicago	tbd	$1,000,000	$600,000	$200,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Los Angeles (Asian)	tbd	$1,000,000	$600,000	$200,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Los Angeles Gala	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Los Angeles Dinner	tbd	$700,000	$140,000	$420,000	$140,000	$0		$70,000	tbd	tbd
POTUS	San Jose	tbd	$500,000	$100,000	$300,000	$100,000	$0		$50,000	tbd	tbd
POTUS	San Francisco Gala	tbd	$1,300,000	$520,000	$520,000	$260,000	$0		$130,000	tbd	tbd
POTUS	San Francisco Sax	tbd	$100,000	$100,000	$0	$0	$0		$10,000	tbd	tbd
POTUS	DC Dinner (Asian)	tbd	$500,000	$200,000	$200,000	$100,000	$0		$5,000	tbd	tbd
POTUS	DC Dinner (DBC)	tbd	$500,000	$200,000	$200,000	$100,000	$0		$5,000	tbd	tbd
POTUS	Coffee (Bryan)	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	Coffee	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	Coffee	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	DC Dinner (Indian)	tbd	$500,000	$150,000	$250,000	$100,000	$0		$5,000	tbd	tbd
POTUS	Denver	tbd	$750,000	$300,000	$300,000	$150,000	$0		$75,000	tbd	tbd
VPOTUS	DC Dinner (Greek)	tbd	$250,000	$75,000	$125,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$250,000	$0	$0	$0		$25,000	tbd	tbd
VPOTUS	NYC	tbd	$250,000	$75,000	$125,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Memphis	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Coffee (servicing)	tbd	n/a				n/a		n/a	n/a	$0
VPOTUS	Coffee (servicing)	tbd	n/a				n/a		n/a	n/a	$0
VPOTUS	Pittsburgh	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS	Miami	tbd	$250,000	$150,000	$0	$100,000	$0		$5,000	tbd	tbd
FLOTUS	New York	tbd	$200,000	$120,000	$40,000	$40,000	$0		$5,000	tbd	tbd
FLOTUS	Little Rock	tbd	$250,000	$250,000	$0	$0	$0		$25,000	tbd	tbd
FLOTUS	Los Angeles	tbd	$300,000	$300,000	$0	$0	$0		$60,000	tbd	tbd
FLOTUS	San Francisco	tbd	$250,000	$250,000	$0	$0	$0		$50,000	tbd	tbd
MEG	Nashville	tbd	$50,000	$50,000	$0	$0	$0		$5,000	tbd	tbd
MEG	Memphis	tbd	$50,000	$50,000	$0	$0	$0		$5,000	tbd	tbd
CABINET	tbd	tbd	$200,000	$200,000	$0	$0	$0		$20,000	tbd	tbd
	Event Total		*$12,850,000*	*$6,300,000*	*$4,080,000*	*$2,470,000*	*$0*		*$1,130,000*	*$0*	*$0*
	Direct Mail/Marketing		*$3,100,000*								
	TOTAL		*$15,950,000*								

CGRD-180
Req. 2/7

4/6CUST (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Coffee	1-Aug	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	NYC (Greek)	1-Aug	$1,000,000	$300,000	$500,000	$200,000	$0		$100,000	tbd	tbd
POTUS	DC Dinner	3-Aug	$500,000	$200,000	$200,000	$100,000	$0		$5,000	tbd	tbd
POTUS	Coffee	5-Aug	$400,000	$40,000	$280,000	$80,000	$0		n/a	n/a	$0
POTUS	Boston Gala *	5-Aug	$2,000,000	$800,000	$800,000	$400,000	$0		$200,000	tbd	tbd
POTUS	Boston Sm. Club *	5-Aug	$200,000	$200,000	$0	$0	$0		$10,000	tbd	tbd
POTUS	NYC Birthday (Nail and Sandlin)	19-Aug	$8,000,000	$6,400,000	$0	$1,600,000	$0		$800,000	tbd	tbd
POTUS	Little Rock	19-Aug	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	DC Dinner	21-Aug	$500,000	$200,000	$200,000	$100,000	$0		$5,000	tbd	tbd
POTUS	DC Dinner	21-Aug	$500,000	$200,000	$200,000	$100,000	$0		$5,000	tbd	tbd
POTUS	Convension	29-Aug	$3,000,000	$1,200,000	$1,200,000	$600,000	$0		$400,000	tbd	tbd
POTUS	Chicago Sm.	29-Aug	$200,000	$200,000	$0	$0					
	Event Total		*$17,700,000*	*$10,180,000*	*$3,980,000*	*$3,540,000*	*$0*		*$1,635,000*	*$0*	*$0*
	Direct Mail/Marketing		*$4,000,000*								
	TOTAL		*$21,700,000*								

CGRO-1805
Req. 2/3/9

AUGUST (DATES NEEDED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO CORP	PRO NET	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	Coffee	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	Atlanta Olympics	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	Long Island	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS/MEG	Convention (WLF)	tbd	$500,000	$300,000	$0	$0	$0		$80,000	tbd	tbd
FLOTUS	Hamptons (early)	tbd	$250,000	$200,000	$0	$50,000	$0		$25,000	tbd	tbd
CABINET	tbd	tbd	$100,000	$100,000	$0	$20,000	$0		$20,000	tbd	tbd
	Event Total		$2,400,000	$1,220,000	$700,000	$480,000	$0		$210,000	$0	$0

CGRO-1806
Req. 2/3/

SEPTEMBER DATES NEEDED

PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO CURP	PRO NSI	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	LA Gala (Streisand)	tbd	$3,000,000	$1,200,000	$1,200,000	$600,000	$0		$300,000	tbd	tbd
POTUS	Los Angeles Sta	tbd	$200,000	$200,000	$0	$0	$0		$20,000	tbd	tbd
POTUS	Miami Gala *	tbd	$1,300,000	$520,000	$130,000	$260,000	$0		$130,000	tbd	tbd
POTUS	DC Gala	tbd	$1,500,000	$450,000	$750,000	$300,000	$0		$150,000	tbd	tbd
POTUS	DC Saxophone	tbd	$200,000	$200,000	$0	$0	$0		$20,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Philadelphia *	tbd	$600,000	$240,000	$240,000	$120,000	$0		$60,000	tbd	tbd
POTUS	New Jersey *	tbd	$600,000	$240,000	$240,000	$120,000	$0		$60,000	tbd	tbd
VPOTUS	Baltimore *	tbd	$250,000	$100,000	$100,000	$50,000	0		$25,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	DC Diner	tbd	$250,000	$100,000	$100,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	Cleveland *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	San Francisco	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Nashville *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Pittsburgh *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	NYC	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Tallahassee *	tbd	$200,000	$80,000	$80,000	$40,000	$0		$20,000	tbd	tbd
VPOTUS	Columbus * (9)	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS/MEO	New Jersey *	tbd	$250,000	$250,000	$0	$0	$0		$50,000	tbd	tbd
FLOTUS/MEO	Los Angeles	tbd	$400,000	$400,000	$0	$0	$0		$80,000	tbd	tbd
CABINET	tbd		$200,000	$180,000	$0	$20,000	$0		$20,000	tbd	tbd
	Event Total		*$12,700,000*	*$5,440,000*	*$4,130,000*	*$2,110,000*	*$0*		*$1,111,000*	*$0*	*($1,111,000)*
	Direct Mail/Marketing		*$4,400,000*								
	TOTAL		$17,100,000								

(1) *The following are the cities we predict the principals will visit for political purposes.*

CGRO-190
Req. 2/3

OCTOBER (DATES NEEDED)												
PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED.	PRO CORP	PRO NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Detroit *	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	NYC Gala	tbd	$1,000,000	$1,200,000	$1,700,000	$600,000	$0		$100,000	tbd	tbd
POTUS	NYC Saxophone	tbd	$300,000	$300,000	$0	$0	$0		$50,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,500,000	$600,000	$600,000	$300,000	$0		$110,000	tbd	tbd
POTUS	DC Dinner	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$110,000	tbd	tbd
POTUS	Portland*	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
POTUS	Seattle *	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
VPOTUS	Chicago *	tbd	$300,000	$120,000	$120,000	$60,000	$0		$30,000	tbd	tbd
VPOTUS	Denver *	tbd	$300,000	$120,000	$120,000	$60,000	$0		$30,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
VPOTUS	Minneapolis *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Cincinnati *	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS/MEO	DC Dinner	tbd	$350,000	$150,000	$50,000	$50,000	$0		$50,000	tbd	tbd
FLOTUS/MEO	NYC	tbd	$300,000	$300,000	$0	$0	$0		$60,000	tbd	tbd
FLOTUS	Philadelphia *	tbd	$400,000	$400,000	$0	$0	$0		$40,000	tbd	tbd
MEO	Pittsburgh *	tbd	$50,000	$50,000	$0	$0	$0		$5,000	tbd	tbd
CABINET	tbd	tbd	$200,000	$180,000	$0	$20,000	$0		$20,000	tbd	tbd
		Event Total	$10,000,000	$5,030,000	$5,000,000	$1,090,000	$0		$885,000	$0	($885,000)
		Direct Mail/Marketing	$4,600,000								
		TOTAL	$15,400,000								

* The following are the cities we predict the principals will visit for political purposes.

CGRO-180E
Req. 2/3/

P

US OFFICE PRODUCTS

CGRC-1809
Req. 2/3/97

DEMOCRATIC NATIONAL COMMITTEE
1996 Operating Budget Report

12 May, 1996

5/22/96
Tab 6

	Revised Budget	Actual YTD Personnel	Actual YTD Other Costs	Actual YTD Total	Remaining Budget	% Of Year Remaining	% Of Budget Remaining
Fundraising:							
Major Donor Fundraising	11,033,140	860,351	1,926,130	2,786,481	8,246,659	67	75
Direct Mail	11,339,423	104,031	3,047,810	3,151,841	8,187,582	67	72
Sub-Total	22,372,563	964,382	4,973,940	5,938,322	16,434,241		

Non-Responsive Material
Has been Redacted

796

CGRO-1810
Req. 2/3/97

Tab 1

5 1

15 May, 1996

Democratic National Committee
State Party Fundraising Splits

	Federal	N/Federal	Total
Texas	$ 20,650	$ 188,755	$ 209,405
Pennsylvania	*	8,500 *	8,500 *
California		10,000	10,000
New Mexico		37,500	37,500
Colorado		83,000	83,000
	$ 20,650	$ 327,755	$ 348,405

* Additional Money Is Due Pennsylvania Pending the Tally of the Event Net Proceeds.

CGRO-1811
Req. 2/3/97

REDACTED MATERIAL

TWO PAGES ARE NON-RESPONSIVE

REDACTED MATERIAL

CGRO-1812
Req. 2/3/97

DEMOCRATIC NATIONAL COMMITTEE
Federal/Non-Federal Split

22 May, 1996

	Remaining Budget	Estimated Federal	Estimated N/Fed. Other	Estimated N/Federal 1:
Fundraising:				
Major Donor Fundraising	8,246,659	2,886,331	5,360,328	0
Direct Mail	8,187,582	8,187,582	0	0
Sub-Total	16,434,241	11,073,913	5,360,328	0

Non-Responsive Material Has Been Redacted

CGRO-1813
Req. 2/3/97

Less: Direct Mail (Originally Projected Additional $22 million.				
Needed From Major Donor	$ 88,316,885	$ 39,892,755	$ 27,424,475	$ 20,999,655

US OFFICE PRODUCTS

CGRO-1814
Req. 2/3/97

REDACTED MATERIAL

TAB H IS NON-RESPONSIVE

REDACTED MATERIAL

CGRO-1815
Req. 2/3/97

CGRO-1816
Req. 2/3/97

REDACTED MATERIAL

TAB I IS NON-RESPONSIVE

REDACTED MATERIAL

CGRO-1817
Req. 2/3/97

DNC budget/finance presentation
to President 6/6/96

CGRO-1818
Req. 2/3/97

Manifest for 6 June DNC Budget/fundraising meeting

President
Vice President
Leon Panetta
Evelyn Lieberman
Harold Ickes
Doug Sosnik
Karen Hancox
Ron Klain
Skila Harris

Peter Knight
Terry McAuliffe
Laura Hartigan

Don Fowler
Chris Dodd
Michael Powell
Brad Marshall
Marvin Rosen
Richard Sullivan
Scott Pastrick
B.J. Thornberry

Michael Berman

CGRD-1819
Req. 2/3/97

THE REMAINDER OF THIS DOCUMENT
IS IDENTICAL TO PAGES NUMBERED
(CGRO-1771) - (CGRO-1817)
WHICH IS THE IMMEDIATE
PRECEEDING DOCUMENT.

CGRO-1820
Req. 2/3/97

18 June 1996

MEMORANDUM TO CHAIRMAN DODD
CHAIRMAN FOWLER
B.J. THORNBERRY
MARVIN ROSEN
SCOTT PASTRICK
RICHARD SULLIVAN
DOUG SOSNIK
KAREN HANCOX

From: Harold Ickes

Re: $100,000 contributors to Emily's List

It is my understanding that there is an agreement that those who give $100,000 to Emily's List will be treated the same as DNC trustees. Apparently there are some problems in this regard.

We need to discuss.

DNC 3116384

FEBRUARY											
PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO CORP	PRO NFI	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	New Hampshire	2 Feb	$250,000				$250,000				$0
POTUS	Coffee	6 Feb	$400,000				$400,000		n/a	n/a	$0
POTUS	DC Dinner **	8 Feb	n/a **				n/a		$20,000	$20,000	$0
POTUS	Coffee	13 Feb	$400,000				$400,000		n/a	n/a	$0
POTUS	NYC Gala	15 Feb	$350,000				$291,100		$50,000	$49,500	($500)
POTUS	NYC Soc Club	15 Feb	$150,000				$24,850		$10,000	$11,085	$1,085
POTUS	DC Dinner (UBC)	19 Feb	$1,000,000				$845,000		$20,000	$12,925	($7,075)
POTUS	DC Dinner (Asian)	19 Feb	$500,000				$313,880		$10,000	$12,000	$2,000
POTUS	DC Dinner	21 Feb	$500,000				$450,000		$5,000	$5,900	$900
POTUS	Coffee	22 Feb	$400,000				$340,000				n/a
POTUS	LA Dinner ***	23 Feb	n/a ***				n/a ***		n/a	n/a	n/a
									n/a	tbd	tbd
VPOTUS	UBC Conference **	19 Feb	$200,000				$201,000		$176,900	$189,800	$12,900
VPOTUS	Miami	19 Feb	$300,000				$159,500		$20,000	$4,000	($16,000)
VPOTUS	DC Lunch (servicing)	21 Feb	n/a				n/a		$4,000	$1,000	($3,000)
VPOTUS	Cincinnati	26 Feb	$200,000				$225,000		$20,000	$12,500	($7,500)
VPOTUS	Columbus	26 Feb	$300,000				$174,500		$20,000	$12,500	($7,500)
VPOTUS	NYC	27 Feb	$250,000				$200,000		$10,000	$0	($10,000)
FLOTUS/MEG	WLF Philadelphia	26 Feb	$275,000				$231,100		$40,000	$64,000	$24,000
MEG	Orange County	13 Feb	$50,000				$35,350		$10,000	$4,000	($6,000)
n/a	Donor Directed						$45,000				
	Event Total		$5,060,000				$4,840,275		$415,000	$412,210	($1,790)
	Direct Mail/Marketing		$1,735,724								
	TOTAL		$6,795,724								
** Servicing Events											
*** Money will come in March numbers											

CGRO-1799
Req. 2/3/

MARCH (DATES RECEIVED)											
PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO CORP	PRO NH	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	Dorsal Lunch ****	4-Mar	$100,000								
POTUS	Coffee	5-Mar	$400,000				$493,000		$30,000	$13,015	$13,015
POTUS	San Francisco Reception	9-Mar	$100,000				$400,000		n/a		$0
POTUS	DC Dinner	15-Mar	$400,000				$611,000		$5,000	$6,230	$1,230
POTUS	DC Dinner	18-Mar	$400,000				$400,000		$5,000	$4,986	($14)
POTUS	DC Dinner	18-Mar	$400,000				$406,000		$5,000	$14,008	$9,008
POTUS	DC Dinner	19-Mar	$400,000				$400,000		$5,000	$3,890	($1,110)
POTUS	Cincinnati Lunch	23-Mar	$100,000				$310,000		$40,000	$12,163	($27,837)
POTUS	DC Dinner	25-Mar	$500,000				$270,000		$5,000	$4,398	($602)
POTUS	Trustee Dinner	27-Mar	n/a				$0		$20,000	$20,000	$0
POTUS	Coffee	28-Mar	$400,000				$400,000		n/a	n/a	$0
VPOTUS	Denver	2-Mar	$250,000				$257,000		$25,000	$48,033	$23,033
VPOTUS	Coffee (servicing)	3-Mar	n/a				$0		n/a		$0
VPOTUS	Kansas City	6-Mar	$250,000				$241,000		$25,000	$3,937	($21,063)
VPOTUS	Houston/Dallas	18-Mar	$250,000				$180,000		$25,000	$2,500	($22,500)
VPOTUS	DC Lunch	19-Mar	$200,000				$200,000		$5,000	$3,864	($1,136)
VPOTUS	DC Lunch	21-Mar	$100,000				$202,000		$5,000	$1,324	($3,676)
VPOTUS	Milwaukee Lunch	26-Mar	$250,000				$201,000		$25,000	$7,000	($18,000)
FLOTUS	Minneapolis	1-Mar	$50,000				$50,000		$5,000	$1,609	($3,391)
	unallocated event revenue						$169,000				
	DC Gala (May 8)						$306,000				
	Miami Gala (April 29)						$170,000				
	Event Total		*$5,450,000*				*$5,781,910*		*$220,000*	*$165,147*	*($60,853)*
	Direct Mail/Marketing		*$2,821,637*								
	TOTAL		$8,271,637								

CGRO-1800
Req. 2/3/9

F

APRIL (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED	PRO. CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Coffee	1-Apr	$400,000				$400,000		$0	n/a	$0
POTUS	DC Dinner	4-Apr	$500,000				$510,000		$5,000	$3,320	($1,680)
POTUS	DC Dinner	8-Apr	$500,000				$500,000		$5,000	$3,308	($1,692)
POTUS	DC Dinner	8-Apr	$500,000				$400,000		$5,000	$3,250	($1,750)
POTUS	Baltimore Dinner	10-Apr	$600,000				$560,335		$60,000	$28,790	($31,210)
POTUS	DC Dinner (servicing)	11-Apr	n/a				n/a		$20,000	$24,014	$4,014
POTUS	Philadelphia Dinner	26-Apr	$650,000				$1,150,000		$65,000	$62,209	($2,791)
POTUS	Miami Gala	29-Apr	$2,000,000				$2,638,000		$200,000	$184,700	($15,300)
POTUS	LA Event (see Feb)	n/a	$1,500,000				$1,000,000		n/a	n/a	$0
	Mar 8 Dinner										
VPOTUS	New Orleans	11-Apr	$250,000				$176,000		$25,000	$4,600	($20,400)
VPOTUS	Coffee (servicing)	12-Apr	n/a				n/a		$0	$0	$0
VPOTUS	Albuquerque Dinner	16-Apr	$250,000				$242,000		$25,000	$24,810	($190)
VPOTUS	Phoenix Lunch	16-Apr	$250,000				$200,000		$25,000	$24,500	($500)
VPOTUS	DC Lunch (servicing)	17-Apr	n/a				$0		$5,000	$1,460	($3,540)
VPOTUS	Coffee (servicing)	26-Apr	n/a				$0		$0	$0	$0
VPOTUS	Los Angeles Lunch	29-Apr	$325,000				($30,000)		$25,000	$3,000	($22,000)
VPOTUS	San Jose Dinner	29-Apr	$325,000				($101,000)		$25,000	$3,000	($22,000)
SHALALA	San Juan	29-Apr	$100,000				($50,000)		$5,000	$1,500	($3,500)
FLOTUS	Miami	22-Apr	$250,000				$251,000		$50,000	$47,613	($2,387)
FLOTUS	New York Lunch	22-Apr	$250,000				$150,000		$50,000	$272	($49,728)
MEG	Cincinnati	25-Apr	$50,000				$36,000		$5,000	$1,500	($3,500)
	POTUS DC Gala	8-May					$3,278,000				
	proceeds from past events						$110,000				
	donor direct media fund						$323,300				
	Event Total		*$8,700,000*				*$11,801,335*		*$600,000*	*$421,646*	*($178,354)*
	Direct Mail/Marketing		*$2,675,625*								
	TOTAL		*$11,375,625*								

Rec. 2/3/97
CGRO-1801

MAY (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	IN FED.	PRO. COST	ACTUAL COST	VARIANCE
POTUS	Coffee	1-May	$400,000				$400,000		n/a	n/a	$0
POTUS	Coffee	7-May	$400,000				$400,000		n/a	n/a	$0
POTUS	New Jersey Gala	7-May	$700,000				$700,000		$70,000	n/a	$0
P/VP/FLOTUS/	DC Gala	8-May	$5,550,000				$6,729,000		$450,000	$723,507	$273,507
							*[$10,313,925]				
POTUS	DC Sax	8-May	$200,000				$128,000		$20,000	$35,968	tbd
POTUS	Coffee	13-May	$0				$0		n/a	n/a	$0
POTUS	DC Dinner	13-May	$500,000				$300,000		$10,000	$11,860	tbd
POTUS	DC Dinner	13-May	$500,000				$500,500		$10,000	tbd	tbd
POTUS	DC Lunch	14-May	$400,000				$300,000		$5,000	tbd	tbd
POTUS	Coffee	17-May	$400,000				$300,000		n/a	n/a	$0
POTUS	DC Dinner	20-May	$400,000				$200,000		$25,000	$12,101	tbd
POTUS	WH Lunch	21-May	n/a				n/a		$10,000	$0	tbd
POTUS	DC Dinner	21-May	$500,000				$350,000		$25,000	$2,822	tbd
POTUS	Fairfield County	22-May	$1,200,000				$1,200,000		$120,000	$78,487	tbd
VPOTUS	Coffee (servicing)	2-May	n/a				n/a		n/a	n/a	$0
VPOTUS	Finance Board Lunch	8-May	n/a				n/a		$10,000	$10,000	tbd
VPOTUS	Coffee (servicing)	16-May	n/a				n/a		n/a	n/a	$0
VPOTUS	Minneapolis Lunch	22-May	$250,000				$150,000		$25,000	tbd	tbd
VPOTUS	NYC	28-May	$250,000				$180,000		$25,000	$1,870	tbd
FLOTUS	DC Lunch	14-May	$200,000				$117,025		$5,000	tbd	tbd
FLOTUS/MEG	Denver	21-May	$200,000				$37,753		$40,000	$12,760	tbd
FLOTUS	NYC	29-May	$500,000				$400,000		$50,000	$49,576	tbd
MEG	Seattle	22-May	$50,000				$10,000		$5,000	$5,000	tbd
		Terry McAuliffe	$400,000				$400,000				
			proceeds from past events				$281,000				
			donor directed				$720,000				
	Event Total		*$13,000,000*				*$13,083,278*		*$905,000*	*$943,951*	tbd
	Direct Mail/Marketing		*$1,818,557*								
	TOTAL		*$14,818,557*								

CGRD-1802
Req. 2/3/97

F

JUNE (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO. REVENUE	PRO. FED.	PRO. CORP.	PRO. NFI	IN HAND	FED. IN	PRO. COST	ACTUAL COST	VARIANCE
POTUS	DC Dinner (DBC)	3-Jun	$500,000	$200,000	$200,000	$100,000	$404,000		$5,000	tbd	tbd
POTUS	DC Dinner (Greek)	3-Jun	$500,000	$100,000	$300,000	$100,000	$450,000		$5,000	$99	tbd
POTUS	Coffee (Patricof)	3-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	DC Dinner (Big Donor)	4-Jun	$500,000	$100,000	$300,000	$100,000	$141,874		$5,000	tbd	tbd
POTUS	Coffee	6-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	Las Vegas	9-Jun	$400,000	$120,000	$200,000	$80,000	$0		$40,000	tbd	tbd
POTUS	San Francisco	9-Jun	$750,000	$225,000	$375,000	$150,000	$0		$75,000	$3,000	tbd
POTUS	Los Angeles Dinner	10-Jun	$1,200,000	$360,000	$600,000	$240,000	$0		$120,000	$2,077	tbd
POTUS	Los Angeles Sax	10-Jun	$200,000	$200,000	$0	$0	$0		$20,000	$24,185	tbd
POTUS	DC Dinner (Boston)	14-Jun	$500,000	$150,000	$250,000	$100,000	$50,000		$5,000	tbd	tbd
POTUS	DC Dinner (Big Donor)	14-Jun	$500,000	$100,000	$300,000	$100,000	$0		$5,000	tbd	tbd
POTUS	Coffee	17-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	DC Dinner (Jewish)	17-Jun	$750,000	$225,000	$375,000	$150,000	$0		$75,000	tbd	tbd
POTUS	Coffee (Kanchanalack)	18-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	NY Conference Call	20-Jun	$100,000	$40,000	$40,000	$20,000	$0		n/a	$0	tbd
POTUS	Coffee (servicing)	20-Jun	n/a				$0		n/a	$0	n/a
POTUS	Houston Gala	21-Jun	$1,300,000	$390,000	$650,000	$260,000	$0		$130,000	$2,947	tbd
POTUS	Houston Sax	21-Jun	$100,000	$100,000	$0	$0	$0		$10,000	tbd	tbd
POTUS	Cleveland	22-Jun	$500,000	$150,000	$250,000	$100,000	$0		$50,000	tbd	tbd
POTUS	NYC Dinner	24-Jun	$3,000,000	$1,200,000	$1,200,000	$600,000	$0		$300,000	$10,000	tbd
POTUS	Coffee (Middleton)	26-Jun	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
VPOTUS	Jackson, MS	3-Jun	$250,000	$50,000	$150,000	$50,000	$175,000		$25,000	tbd	tbd
VPOTUS	Philadelphia Dinner	17-Jun	$250,000	$75,000	$125,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Coffee (servicing)	19-Jun	n/a				n/a		n/a	n/a	$0
FLOTUS	Detroit Dinner	10-Jun	$150,000	$150,000	$0	$0	$0		$50,000	$288	tbd
FLOTUS	Cincinnati Lunch	12-Jun	$200,000	$160,000	$0	$40,000	$0		$25,000	tbd	tbd
FLOTUS	Boston	20-Jun	$200,000	$200,000	$0	$0	$0		$50,000	$1,330	tbd
FLOTUS	Seattle	26-Jun	$200,000	$140,000	$20,000	$40,000	$0		$50,000	tbd	tbd
CABINET	Spoleto	8-Jun	$50,000	$40,000	$0	$10,000	$0		$10,000	tbd	
						proceeds from past events	$50,000				
	Event Total		*$14,100,000*	*$4,675,000*	*$6,335,000*	*$3,090,000*	*$1,270,874*	*$0*	*$1,080,000*	*$43,927*	*$0*
	Direct Mail/Marketing		*$2,100,000*								
	TOTAL		*$16,200,000*								

CGRO-180
Req. 2/3

JULY DATES NEEDED)												
PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO COMP	PRO NET	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS/FLOTUS/ME	WLF Conference	17-Jul	$1,000,000	$900,000	$0	$100,000			$200,000	tbd	tbd
POTUS	Chicago	tbd	$1,000,000	$600,000	$200,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Los Angeles (Asian)	tbd	$1,000,000	$600,000	$200,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Los Angeles Gala	tbd	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000	tbd	tbd
POTUS	Los Angeles Dinner	tbd	$700,000	$140,000	$420,000	$140,000	$0		$70,000	tbd	tbd
POTUS	San Jose	tbd	$500,000	$100,000	$300,000	$100,000	$0		$50,000	tbd	tbd
POTUS	San Francisco Gala	tbd	$1,300,000	$520,000	$520,000	$260,000	$0		$130,000	tbd	tbd
POTUS	San Francisco Sax	tbd	$100,000	$0		$0	$0		$10,000	tbd	tbd
POTUS	DC Dinner (Asian)	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
POTUS	DC Dinner (DBC)	tbd	$500,000	$200,000	$200,000	$100,000	$0		$50,000	tbd	tbd
POTUS	Coffee (Bryan)	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	Coffee	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	Coffee	tbd	$400,000	$40,000	$200,000	$160,000	$0		n/a	n/a	$0
POTUS	DC Dinner (Indian)	tbd	$500,000	$150,000	$250,000	$100,000	$0		$5,000	tbd	tbd
POTUS	Denver	tbd	$750,000	$300,000	$300,000	$150,000	$0		$75,000	tbd	tbd
VPOTUS	DC Dinner (Greek)	tbd	$250,000	$75,000	$125,000	$50,000	$0		$5,000	tbd	tbd
VPOTUS	DC Dinner	tbd	$250,000	$250,000	$0	$0	$0		$25,000	tbd	tbd
VPOTUS	NYC	tbd	$250,000	$75,000	$125,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Memphis	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
VPOTUS	Coffee (servicing)	tbd	n/a				n/a		n/a	n/a	$0
VPOTUS	Coffee (servicing)	tbd	n/a				n/a		n/a	n/a	$0
VPOTUS	Pittsburgh	tbd	$250,000	$100,000	$100,000	$50,000	$0		$25,000	tbd	tbd
FLOTUS	Miami	tbd	$250,000	$150,000	$0	$100,000	$0		$5,000	tbd	tbd
FLOTUS	New York	tbd	$300,000	$120,000	$40,000	$40,000	$0		$5,000	tbd	tbd
FLOTUS	Little Rock	tbd	$250,000	$250,000	$0	$0	$0		$25,000	tbd	tbd
FLOTUS	Los Angeles	tbd	$300,000	$100,000	$0	$0	$0		$60,000	tbd	tbd
FLOTUS	San Francisco	tbd	$250,000	$250,000	$0	$0	$0		$10,000	tbd	tbd
MEG	Nashville	tbd	$50,000	$50,000	$0	$0	$0		$5,000	tbd	tbd
MEG	Memphis	tbd	$50,000	$50,000	$0	$0	$0		$5,000	tbd	tbd
CABINET	tbd	tbd	$200,000	$200,000	$0	$0	$0		$20,000	tbd	tbd
		Event Total		$12,850,000	$4,000,000	$3,470,000	$0		$1,130,000	$0	
		Direct Mail/Marketing		$1,100,000							
		TOTAL		$13,950,000							

CGRO-180
Req. 2/1

AUGUST (DATES RECEIVED)

PRINCIPAL	EVENT/SOURCE	DATE	PRO REVENUE	PRO FED	PRO CORP	PRO NET	IN HAND	IN FED	PRO COST	ACTUAL COST	VARIANCE
POTUS	Coffee	1-Aug	$400,000	$40,000	$200,000	$160,000	$0		n/a		$0
POTUS	NYC (Guest)	1-Aug	$1,000,000	$300,000	$500,000	$200,000	$0		$100,000		tbd
POTUS	DC Dinner	3-Aug	$500,000	$200,000	$200,000	$100,000	$0		$5,000		tbd
POTUS	Coffee	5-Aug	$400,000	$40,000	$280,000	$80,000	$0		n/a		$0
POTUS	Boston Gala*	5-Aug	$2,000,000	$800,000	$800,000	$400,000	$0		$200,000		tbd
POTUS	Boston Sax Club *	5-Aug	$200,000	$200,000	$0	$0	$0		$20,000		tbd
POTUS	NYC Birthday (Nail and Satellite)	19-Aug	$8,000,000	$6,400,000	$0	$1,600,000	$0		$800,000		tbd
POTUS	Little Rock	19-Aug	$1,000,000	$400,000	$400,000	$200,000	$0		$100,000		tbd
POTUS	DC Dinner	21-Aug	$500,000	$200,000	$200,000	$100,000	$0		$5,000		tbd
POTUS	DC Dinner	21-Aug	$500,000	$200,000	$200,000	$100,000	$0		$5,000		tbd
POTUS	Convention	29-Aug	$13,000,000	$1,300,000	$11,200,000	$600,000	$0		$400,000		tbd
POTUS	Chicago Sax	29-Aug	$200,000	$200,000	$0	$0					
	Event Total		$27,700,000	$10,140,000	$13,980,000	$3,540,000	$0		$1,615,000	$0	$0
	Direct Mail/Marketing		$4,000,000								
	TOTAL		$31,700,000								

[The deposition of Thomas Franklin McLarty III follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: THOMAS FRANKLIN MCLARTY, III

FRIDAY, SEPTEMBER 5, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 8:43 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Barbara Comstock, Chief Investigative Counsel; Kristi Remington, Investigative Counsel; Alicemary Leach, Investigative Counsel; Elliott Berke, Investigative Counsel; Michelle E. White, Investigative Counsel; David Bossie, Ovesight Coordinator; Kenneth Ballen, Minority Chief Investigative Counsel; Andrew J. McLaughlin, Minority Counsel; Matthew H. Joseph, Minority Counsel; Michael J. Raphael, Minority Counsel; and Michael Yang, Minority Counsel.

Also present: Representative Kanjorski.

For MR. MCLARTY:

WILLIAM W. TAYLOR, ESQ.
LESLIE BERGER KIERNAN, ESQ.
Zuckerman, Spaeder, Goldstein, Taylor & Kolker, L.L.P.
1201 Connecticut Avenue, N.W.
Washington, D.C. 20036-2638

Ms. REMINGTON. Good morning, Mr. McLarty. I'd like to begin by saying thank you on behalf of the members of the Committee on Government Reform and Oversight for appearing here today. This proceeding is known as a deposition. The person transcribing this proceeding is a House reporter and notary public. I will now request the reporter place you under oath.

THEREUPON, THOMAS FRANKLIN MCLARTY, III, a witness, was called for examination by Counsel, and after having been first duly sworn, was examined and testified as follows:

Ms. REMINGTON. I would like to note for the record those who are present at the beginning of this deposition. Ms. Barbara Comstock is the designated Majority counsel for the committee. She will be accompanied by me, Kristi Remington, who is also with the Majority staff. Ken Ballen is the designated Minority counsel for the committee and he is accompanied today by Matthew Joseph and Andrew McLaughlin. And the deponent is represented today by Mr. Bill Taylor and——

Mr. TAYLOR. Leslie Kiernan.

Ms. REMINGTON. Although this proceeding is being held in a somewhat informal atmosphere, because you have been placed under oath, your testimony here today has the same force and effect as if you were testifying before the committee or in a courtroom. If Ms. Comstock asks you about any conversations you have had in the past and you are unable to recall the exact words used in the conversation, you may state that you are unable to recall those exact words and then you may give the substance of any such conversation to the best of your recollection.

If you recall only part of a conversation or only part of an event, please give me your best recollection of those events or parts of conversations that you do recall.

If we ask you whether you have any information upon a particular subject and you have overheard other persons conversing with each other regarding it or have seen correspondence or documentation regarding it, please tell us that you do have such information and indicate the source, either a conversation or documentation or otherwise from which you have derived such knowledge.

Before we begin at questioning, I want to give you some background on the investigation and your appearance here. Pursuant to its authority under House Rules X and XI of the House of Representatives, the committee is engaged in a wide-ranging review of possible political fund-raising improprieties and possible violations of law.

Pages 2 through 4 of House Report 105–139 summarize the investigation as of June 19, 1997, and encompass any new matters which arise directly or indirectly

in the course of the investigation. Also pages 4 through 11 of the report explain the background of the investigation.

All questions related either directly or indirectly to these issues or questions which have the tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence are proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167, which passed the full House on June 20, 1997. Committee Rule 20 of which you have received a copy outlines the ground rules for the deposition.

Majority and Minority committee counsels will ask you questions regarding the subject matter of the investigation. Minority counsel will ask questions after Majority counsel has finished. After the Minority counsel has completed questioning you, a new round of questioning may begin.

Members of Congress who wish to ask questions will be afforded immediate opportunity to ask their questions. When they are finished, committee counsels will resume questioning.

Pursuant to the committee's rules, you're allowed to have an attorney present to advise you of your rights. Any objection raised during the course of the deposition shall be noted for the record. If the witness is instructed not to answer a question or otherwise refuses to answer a question, Majority and Minority counsel will confer to determine whether the objection is proper.

If Majority and Minority counsels agree that a question is proper, the witness will be asked to answer the question. If an objection is not withdrawn, the Chairman or Member designated by the Chairman may decide whether the objection is proper.

This deposition is considered as taken in executive session of the committee, which means it may not be made public without the committee's consent. Pursuant to clause 2(k)7 of House Rule 11, you will be asked to abide by the Rules of the House and not discuss this deposition with anyone other than your attorneys or the issues and questions raised during this proceeding.

Finally, no later than 5 days after your testimony is transcribed and you have been notified that your transcript is available, you may submit suggested changes to the Chairman. The transcript will be available for your view at the committee office. Committee staff may make any typographical and technical changes requested by you. Any substantive changes, modifications, clarifications or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement of your reasons for each proposed change.

A letter requesting any substantive changes, modifications, clarifications or amendments must be signed by you. Any changes to the transcript will be included as an appendix conditioned upon you signing the transcript.

Do you understand everything we've gone over so far?

The WITNESS. I believe that I do.

Ms. REMINGTON. Do you have any questions about anything?

Mr. TAYLOR. I'd like to say one thing regarding your instruction about sources of information. I will say to you that Mr. McLarty's answer also not include information the only source for which is his own counsel.

Ms. REMINGTON. Attorney-client information.

Mr. TAYLOR. Attorney-client. If you ask if he has information about a subject and his only source for that information is conversations with his counsel, then his correct answer is, no.

Ms. COMSTOCK. Are you saying his answer would not be on the information by the counsel, but his answer would be, no?

Mr. TAYLOR. Right.

Ms. COMSTOCK. That he has no knowledge?

Mr. TAYLOR. If you would like, he can say the only information I have on that source came from my own counsel.

Ms. COMSTOCK. I think that might clarify it better. I think, Mr. McLarty, that would be better. So if there is some reason——

Mr. TAYLOR. But we disclaim any obligation to respond pursuant to your instructions when the source of his information is his own counsel.

Ms. COMSTOCK. But if he could indicate that that's the source, then I think we can end it there.

Mr. BALLEN. Similarly in that regard, it seems like the instructions call for any hearsay information. Certainly, at a minimum, if the witness could identify whether a source is not his own personal knowledge, that would be helpful because I think the committee wants personal knowledge, not hearsay. In addition——

Ms. COMSTOCK. That's the reason we say provide the source of your knowledge, because if you've heard other people talking about it or you personally witnessed

it, all the sources that you provide us, provide us an indication of the validity of the information.

Mr. BALLEN. Well, without getting into extended discussion, I think the Minority takes a very different view of hearsay information perhaps and the question is reliability, admissibility in these proceedings. Secondly, though, as to any objections as to pertinency or relevancy, those objections must be considered ultimately by the full committee. The Chair may make a ruling. Any ruling by the Chair is appealable to the full committee.

And if you could, Majority counsel, identify some of the other people in the room for the witness and counsel.

Ms. REMINGTON. Let me just finish some of the rules that we have during a deposition proceeding. If you don't understand a question, please say so and counsel will repeat it or rephrase it so that you do understand the question. The reporter will be taking down everything we say and will make a written record of the deposition.

You must give verbal, audible answers because the reporter cannot understand what a nod of the head or other gesture means. If you can't hear us, please say so, and the counsel will repeat the question or have the court reporter read the question back to you.

Please wait until counsel finishes each question before answering, and we will wait until you finish your answer before we ask a next question. This way the reporter will then have a clear record.

Your testimony is being taken under oath as if we were in court and if you answer a question, it will be assumed that you understood the question and the answer was intended to be responsive to it.

Do you understand that?

The WITNESS. I believe that I do.

Ms. REMINGTON. Are you here voluntarily or as a result of a subpoena?

The WITNESS. I'm here voluntarily.

Ms. REMINGTON. Do you have any questions about the deposition before we begin the substantive portion of the proceeding?

The WITNESS. I don't believe I have any at this time.

Mr. TAYLOR. No.

Ms. REMINGTON. Let me go ahead and identify the other people present in the room. We have investigative counsel Alicemary Leach and Michelle White of the Majority staff and Elliott——

Mr. BERKE. Berke, B-E-R-K-E.

Ms. REMINGTON.—Berke of the Majority staff, as well.

EXAMINATION BY MS. COMSTOCK:

Question. Let's give your full name and spell it for the record. Just give your full name.

Answer. Thomas Franklin McLarty, III.

Question. And your current address, please?

Answer. [Deleted.]

Mr. TAYLOR. Can that information not be part of the public record, his home address?

Ms. COMSTOCK. Yes, if you request it when the depositions are made public, we could.

Mr. TAYLOR. I request that that matter not be placed on the transcript at this point and any other time. You can have his home address, if you need it, but there should not be a document which comes into the public record with Mr. McLarty's home address on it.

Mr. BALLEN. We agree with that and we object to the question.

Mr. TAYLOR. I will go to the Chair of this committee if we can't agree that that information does not appear in the transcript.

Ms. COMSTOCK. You're talking about the public transcript?

Mr. BALLEN. Any transcript.

Mr. TAYLOR. I'm talking about any transcript.

Ms. COMSTOCK. You're asking that that be stricken from the record this morning, his address?

Mr. TAYLOR. Absolutely.

Ms. COMSTOCK. Maybe what we can do if you agree to provide it for our investigative purposes, if you can agree to provide the address and phone number of Mr. McLarty separate from the record just for the committee, that wouldn't be part of the transcript if that would be satisfactory.

Mr. BALLEN. I don't understand what the investigative purpose is to have Mr. McLarty's home address. That's my objection to it. If there was some legitimate in-

vestigative purpose, you could have it. But I don't understand why we need his home address.

Ms. COMSTOCK. Well, we have phone records that we have and there may be others that we may need to get so we may want it identify all phone numbers and know that we have the, we have the right phone number by knowing Mr. McLarty's correct address, so I think it is for purposes of knowing that and I'm happy to not have the address on the transcript record. That will not be a problem.

Mr. TAYLOR. Fine.

Ms. COMSTOCK. If we can instruct the reporter in preparing this we can have that not be even on the paper record. If you just want to take that question out altogether, that will be fine.

Mr. TAYLOR. Thank you.

Ms. COMSTOCK. And I guess also ask in terms of the phone records, if you could provide any cellar phone numbers that Mr. McLarty has had since January 20th, 1993.

EXAMINATION BY MS. COMSTOCK:

Question. Have you, indeed, had any cell phones since January 20, 1993?

Answer. I don't believe I have used them.

Question. A specific cell phone?

Answer. I don't use a cell phone often.

Mr. TAYLOR. Ms. Comstock, we've provided you with all that information last year in connection with the Travel Office. It is in your——

Ms. COMSTOCK. All of the phone numbers to date.

Mr. TAYLOR. Yes.

Ms. COMSTOCK. So the phone numbers we had as of last year will still be correct as of this year?

Mr. TAYLOR. We'll verify that for you.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. I'm not going to go through extensive background because we've also gone through that before, but could you just provide the dates when you were at Arkla?

Answer. I started in 1983 and served until 1992.

Question. And when did you leave in 1992?

Answer. In December of 1992.

Question. And that was during the Clinton/Gore transition?

Answer. Yes.

Question. And you were then part of the transition in your capacity as the named Chief of Staff?

Answer. I believe that's correct. I had been asked to serve as Chief of Staff, and I think that's when I officially left Arkla.

Question. And you began work at the White House on January 20, 1993; is that correct?

Answer. That is correct.

Question. And you served in this capacity as Chief of Staff until approximately the summer of 1994; is that correct?

Answer. That is correct.

Question. And then you became counsel to the President; is that correct?

Answer. That is correct.

Question. And is that a position in which you currently serve?

Answer. No, it is not.

Question. Okay. Could you just walk us through your counsel to the President role and when that ended and your current position?

Answer. I continue to serve as counselor to the President, but also as Special Envoy to the Americas, and I was named to that post in December of 1996.

Question. All right. In 1992 were you involved in any fund-raising with the President's campaign, with the Clinton/Gore campaign in 1992?

Answer. Yes, I was supportive of the President's election and solicit some funds for that election campaign.

Question. And were there individuals from your company, Arkla, from whom you solicited campaign contributions?

Answer. I don't recall from Arkla. They generally were from friends and associates from the State and around the country.

Question. Do you know if you were involved in Truman Arnold fund-raising in 1992?

Answer. I was aware Mr. Arnold was supportive of President Clinton and was a contributor.

Question. And how long have you known Mr. Arnold?

Answer. For about 25 years.

Question. Did you work with Ron Brown on any fund-raising matters in 1992?

Answer. No, I did not.

Question. Were you aware of a group called APAC, A-P-A-C, the Asian Pacific Advisory Counsel Committee, an Asian group in California, in 1992?

Answer. No, I was not.

Question. Do you know an individual named Nora Lum?

Answer. No, I do not.

Question. Or Gene Lum?

Answer. No, I do not.

Question. Do you know of a company named Dynamic Energy?

Answer. I believe, with the company named Dynamic Energy.

Question. And can you tell us how you're familiar with that?

Answer. I believe——

Mr. TAYLOR. The question is the source of your information.

Ms. COMSTOCK. Well, if you could just tell us what you know about Dynamic Energy and then, in the course of that, if you can, the source of the information.

The WITNESS. It is my understanding Dynamic Energy is involved in the natural gas business in Oklahoma.

EXAMINATION BY MS. COMSTOCK:

Question. And how did you come to learn about Dynamic Energy?

Answer. I'm not sure how I learned of Dynamic Energy and its activities.

Question. Do you know if anyone at the White House had told you about it?

Answer. I just simply don't know where I learned that information. It is my understanding it is an independent company engaged in natural gas and perhaps the oil business in Oklahoma.

Question. And were you aware of Michael Brown being involved with that company at all?

Answer. At some point I did learn Mr. Brown, I believe, served on the board of directors.

Question. And do you know approximately when you learned that?

Answer. I believe it was sometime in 1993 or 1994.

Question. Do you know an individual named Stewart Price?

Answer. I do.

Question. And how do you know Mr. Price?

Answer. Mr. Price was introduced to me as a possible candidate for Congress in, I believe, 1993.

Question. And do you know who introduced you?

Answer. I believe Joan Baggett who was political director or assistant political director at the White House at that time introduced me to Mr. Price.

Question. And do you recall what conversation you had with Mr. Price?

Answer. I had a meeting with him in 1993 at Ms. Baggett's request and he discussed his thoughts about running for office.

Question. Was this a meeting at the White House?

Answer. It was.

Question. And did you encourage Mr. Price to run?

Answer. I was generally encouraging of his running. He seemed quite positive about it during our meeting.

Question. Did you discuss any fund-raising matters with Mr. Price?

Answer. No, I don't believe that we did.

Question. Do you know if you discussed with him any sources of support that you might know of to assist him in any way?

Answer. No, I don't believe we discussed that type of subject matter.

Question. Did there come a time when you became aware that Mr. Price had some legal issues with Dynamic Energy and that there was a source of disagreement between the partners of Dynamic Energy?

Answer. At some point, I believe I was aware that there were some differences of views between Mr. Price and Mr. Brown.

Question. And what were those?

Answer. I don't—I just knew there were differences of views between those two individuals.

Question. Can you recall how you learned of that?

Answer. I believe Mr. Michael Brown relayed that to me.

Question. Can you generally describe what he told you?

Mr. BALLEN. Excuse me, I'm going to object to this line of questioning. I mean you know I have been patient with it because I've been trying to figure out what it has to do with our investigation and how it relates to campaign finance abuse, but I fail to see any connection whatsoever with the mandate of this committee and the resolution, and maybe if counsel can enlighten me as to how it relates to our investigation, I can withdraw my objection, but other than that I feel it is objectionable.

I lodge an objection as to the pertinency and relevancy of this line of inquiry.

Ms. COMSTOCK. I think it is public knowledge that there have been conduit payments to the Lums and Michael Brown pled guilty to Dynamic Energy and issues related to that, which is part of the committee's investigation.

Mr. BALLEN. Well, I don't see the nexus to this witness.

Mr. TAYLOR. I can say I don't see the nexus to this witness either.

Ms. COMSTOCK. But the witness has indicated that he did talk with Mr. Brown about his differences with Mr. Price and I'd like to continue that line of questioning.

Mr. TAYLOR. I think you'll rapidly find out that's all he knows so go ahead.

Ms. COMSTOCK. And we have discussed this with counsel previously so I think we can shorten this up as much as we can.

Mr. TAYLOR. Great.

EXAMINATION BY MS. COMSTOCK:

Question. If you could just tell us your discussions with Michael Brown?

Answer. I believe Michael Brown requested an appointment with me and he told me there were some differences, as I remember it, between he and Mr. Price and I believe he said that either had been in the public record, in the press, or was going to be and he simply wanted me to know that he felt he had conducted himself properly. I listened to him and that was about the extent of our discussion.

Question. Do you know why he came to you about this?

Answer. Earlier his father, Secretary Brown, had called me about Michael's serving on Dynamic's board. I had been in the natural gas business, and asked my opinion about that. And I told him I did not know much about the company, that I thought Michael serving on its board was fine, but not perhaps active management. That was the question Secretary Brown had posed to me. So I think it was in light of that earlier discussion or conversation that Michael saw me. I don't know why he got an appointment. Obviously, you'll have to ask him.

Question. And when you had this previous discussion with Ron Brown was that before Michael Brown served on the board?

Answer. I don't know whether he was already on the board or was planning to join the board. I just simply don't know.

Question. And can you place in time when you had the conversation with Michael Brown about Stewart Price?

Answer. Ms. Comstock, sitting here today, I'm not certain. I believe it was 1994, but I can't be certain of that.

Question. And did you have any other conversations with Michael Brown about Dynamic Energy?

Answer. Not that I recall. I don't believe that I did.

Question. Did you have any conversations with Ron Brown about Dynamic Energy?

Answer. I believe it was only that one conversation with Secretary Brown as I remember it.

Question. All right. And when independent counsel was appointed to look into Mr. Brown's financial dealings, did you ever become aware that Dynamic Energy was part of what the independent counsel was looking at?

Answer. I don't believe I was aware of that.

Question. And you did not then have any discussion with Ron or Michael Brown about any independent counsel investigation?

Answer. No.

Mr. BALLEN. And I'm going to object to that line of questioning. To get into what a closed independent counsel investigation Ron Brown and what Mr. McLarty may or may not have said is not within the relevant scope of this committee's inquiry.

Mr. TAYLOR. I agree with Mr. Ballen. But I think he's answered he didn't have any.

Ms. COMSTOCK. Were you aware of anyone at the White House monitoring any matters relating to the Ron Brown investigation?

Mr. BALLEN. Objection. Same grounds.

Mr. TAYLOR. Can you state the relevancy of this line of questioning?

Ms. COMSTOCK. I'm asking whether or not Mr. McLarty is aware of anyone at the White House monitoring the investigation into Ron Brown.

Mr. TAYLOR. Yeah, but what's the relevance whether he knows anybody at the White House monitored the investigation?

Ms. COMSTOCK. I'm looking into the matter relating to any obstruction of the investigations relating to the matters that were investigated.

Mr. TAYLOR. Nobody, Ms. Comstock, has ever suggested—you can ask whether he knows about any homicides, too. You can ask if he knows about any improper conduct. But there is a scope issue here. He doesn't know anything about monitoring of any investigations, but I'm troubled by the absence of any relevance to fund-raising.

Mr. BALLEN. And I might note in the report the obstruction of justice language relates to Webb Hubbell and there was no mention of obstruction of justice involving Ron Brown or alleged activity thereof.

Mr. TAYLOR. Do you know of any?

The WITNESS. No, I do not.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of Jane Sherburne of the White House generally monitoring various investigations of the Clinton Administration?

Mr. BALLEN. I'm going to renew the same objection.

Mr. TAYLOR. I agree. That you're aware of.

Ask the next question.

Ms. COMSTOCK. Are you instructing the client not to answer that question?

Mr. TAYLOR. Yeah.

Ms. COMSTOCK. And could you state the basis of that objection?

Mr. TAYLOR. First of all, I don't know what your purpose here is, but it is beginning to sound to me like issues of privilege, attorney-client privilege, White House privilege, executive privilege may be implicated. I may have to call the Office of White House Counsel to get some instructions here.

Ms. COMSTOCK. Well, it is well within the public purview that Ms. Sherburne had been involved with monitoring various activities. That's information that's been out in the public for over a year now. There are actually documents that were turned over to this committee last year. I'm just asking the witness if he had any knowledge of that at that time and that's information that is public at this time.

Mr. TAYLOR. Did he have any knowledge of Ms. Sherburne monitoring——

Ms. COMSTOCK. Any investigations at the White House.

Mr. TAYLOR. Do you have any knowledge of Jane's monitoring?

The WITNESS. I was aware that Ms. Sherburne was part of the White House Counsel's Office and dealt with various legal matters, I thought, primarily associated with the Whitewater review. I had no knowledge of her area of responsibilities and activities.

Ms. COMSTOCK. And so she never spoke with you about any legal matters that related to you in any way?

Mr. BALLEN. I'm going to object to that question.

EXAMINATION BY MS. COMSTOCK:

Question. I mean did there ever come a time when she was speaking with you about any legal matters that were under investigation?

Answer. I think if I had a deposition or some type of appearance——

Mr. TAYLOR. The answer is, yes.

The WITNESS. That she did.

EXAMINATION BY MS. COMSTOCK:

Question. And would that be only regarding depositions or appearances before various investigative bodies?

Answer. Yes, I believe that's right, for any matters related to me.

Question. And did anybody in the counsel's office ever speak to you about any matters related to Dynamic Energy or Oklahoma Corporation Commission?

Answer. They may have when there was some public press. I don't recall. But they may have.

Question. And do you recall what those conversations were?

Mr. BALLEN. I'm going to renew my objection. Now we're into White House Counsel's conversations with this witness on a matter that is not the topic of this investigation. I think it is very far afield and not a proper question for the witness.

Mr. TAYLOR. The question is whether you talked to members of the White House Counsel's Office about the Dynamic Energy Oklahoma Corporation Commission issues?

Ms. COMSTOCK. Yes.

Mr. TAYLOR. I think you can answer that.

The WITNESS. I don't believe I talked with them about any Dynamic Oklahoma Corporation Commission matters at all.

Mr. TAYLOR. Well——

The WITNESS. If there was a matter of public press about me, I would either inform the counsel's office or give them the background and there might have been some overlap in that way.

Mr. TAYLOR. At the time of the Business Week article, you had conversations with them.

The WITNESS. Uh-huh.

Ms. COMSTOCK. And you're referring to a Business Week article that talked about the Oklahoma situation; is that correct?

Mr. TAYLOR. Right.

Ms. COMSTOCK. So you just had discussions about the article, not the substantive discussions about any underlying facts; would that be a fair characterization?

The WITNESS. Well, I related to them that I thought the article was baseless and not factually correct.

EXAMINATION BY MS. COMSTOCK:

Question. And do you recall what you told them particularly that was incorrect?

Answer. I don't remember the specifics of the discussion. I just basically told them the article was inaccurate in my opinion and why.

Question. Since we referred to the article, so that we know, this was January 20, 1997, Business Week article. Is that the article to which you're referring?

Answer. It is.

Mr. BALLEN. Does Minority counsel have a copy of that article, please?

Ms. COMSTOCK. I gave the witness a full copy of it. I think we're missing the end of that page there.

Mr. BALLEN. Okay.

EXAMINATION BY MS. COMSTOCK:

Question. I just want to allow the witness to review it, and then if you could just generally, if you recall what you had told them was inaccurate in the article?

Answer. I think there was the supposition that somehow the purchase of Dynamic Energy in this article by the Lums was some how related to me and any activities at Arkla, and I conveyed there was just absolutely no relationship whatsoever. I didn't know anything about the purchase of Dynamic, didn't know the Lums, Dynamic did no business with Arkla and there just was no relationship in my mind whatsoever. I knew nothing about it, and that the innuendoes and some allegations was just baseless.

Question. And that's what you relayed to Jane Sherburne.

I'm sorry, she wasn't there in 1997. So you related to somebody in the Counsel Office.

Answer. I believe that's right.

Question. And that is your testimony here today also?

Answer. That's right.

Question. Thank you.

Mr. BALLEN. I just want it very plain for the record that the Minority objects to this entire area of inquiry as beyond the scope of what the members of this committee voted on to require.

EXAMINATION BY MS. COMSTOCK:

Question. So I'll just very quickly, then, move through this area.

You said you have no knowledge of the Lums. You would have no knowledge of any of the conduit payments or any——

Answer. I would not know the Lums if they walked in the door here.

Question. And the matters relating to any conduit payments and Michael Brown, you have no knowledge of that.

Answer. I have no knowledge about that.

Question. So prior to Mr. Brown pleading guilty, you didn't know anything about those conduit payments that Mr. Brown pled guilty to?

Answer. No, I did not.

Question. And any of the conversations you had with Mr. Brown's contributions never came up?

Answer. That never came up.

Question. Were you aware of Bill Burton in your office speaking with reporters about these matters earlier in 1993 and 1994?

Answer. Yes, I was.

Question. And could you just generally describe what conversations you had with Mr. Burton and what about these matters?

Answer. I don't believe the matters in 1993 were related to Dynamic Energy or the Lums. I think there was an article in the Oklahoma press about an allegation regarding Arkla and the Public Service Commission and whether that article became public. I think Mr. Burton responded to the press.

Question. And was that regarding Bill Anderson, the lobbyist who was involved in some——

Answer. He was involved——

Mr. BALLEN. Objection. Again, we're under a different topic again way outside this committee's scope. I want to again object on the pertinency and relevancy lines. If counsel can show where these allegations regarding Arkla are in the committee report, I'd be happy to withdraw my objection. I don't see anything even remotely related to this in the committee report. It is important that the committee, that counsel for the committee ask questions of the witness that are related to the committee scope as voted on by the Members and that is the scope that was approved by the House, full House. I just don't see any nexus or statement that this kind of matter is in the committee's jurisdiction.

Mr. TAYLOR. There is no question pending. I agree with Mr. Ballen. Why don't you ask your next question?

Ms. COMSTOCK. Well, I'd like to finish up this line of questions. I think the witness and his attorneys are aware there have been a number of allegations that are relating to these matters we're investigating, and I'd like to give the witness an opportunity. I believe he has refuted these, and I would like to give the witness an opportunity to refute.

Mr. TAYLOR. Well, we might enjoy that, but is the committee investigating the Arkla allegations?

Ms. COMSTOCK. No, we're looking at matters related to the Lums and Dynamic Energy and so that is what we're looking at.

Mr. TAYLOR. Well, this matter is not related to the Lums and Dynamic Energy.

Ms. COMSTOCK. I think in the discussions of publically, the matters have been connected up; and I'd like to briefly address these and Mr. Burton had discussed this with some news reporters. I think we can pretty quickly move through this.

Mr. BALLEN. If you can tell us how they've been connected up, I think that's fine. I don't know how they've been connected up.

Mr. TAYLOR. Well, let's see if we can move through this in the interest of Mr. McLarty's time. You want to know whether he knows if Burton responded in 1993 and 1994 at a time when there were articles in the print media about an investigation of payments to members of the Oklahoma Public Service Commission?

Ms. COMSTOCK. Yeah.

Mr. TAYLOR. You've answered that question.

The WITNESS. I believe I have.

EXAMINATION BY MS. COMSTOCK:

Question. You talked to Mr. Burton about it?

Answer. I think he actually raised the matter with me, but, yes, I discussed it with him.

Question. Did you authorize him to speak with the press on your behalf?

Answer. Yes.

Question. And the statements that he relayed, can you tell us the discussion you had with Mr. Burton?

Answer. I'm sorry repeat your question.

Question. The discussion you had with Mr. Burton and what you authorized him to say about the matter?

Answer. I told him I knew nothing about these allegations and to make that clear to the press, which he did so. And I believe in 1993 that the Lums and Dynamic Energy were not part of his discussions with the press or the press stories at all.

Question. I want to move into questions regarding Mr. Hubbell. You have known Mr. Hubbell for how long?

Answer. Approximately 30 years.

Question. In 1993, when he first joined the administration at any time in the spring of 1993, while he was going through the confirmation process, did you learn of any Rose Law Firm partners coming to Mr. Hubbell to discuss any problems at the firm?

Answer. No, I did not.

Question. When did you first learn of any problems at the Rose Law Firm pertaining to Mr. Hubbell?

Answer. I believe shortly before they appeared in the press in 1994.

Question. In 1993, were you aware of an individual named Amy Stewart being involved in Mr. Hubbell's confirmation process?

Answer. No, I was not.

Question. Do you know Amy Stewart?

Answer. No, I do not.

Question. Could you tell us how you learned of Mr. Hubbell's legal problems with the Rose Law Firm?

Answer. I believe I was informed that there was going to be a story in the Washington Post about a billing dispute with Mr. Hubbell from someone in the White House. I don't recall who informed me.

Question. You don't recall who in the White House?

Answer. Yes.

Question. Do you know if it was somebody on your staff?

Answer. I don't believe it was. But I simply don't know. I can't recall sitting here today who informed me. Someone in the White House told me there was going to be a story appearing about a billing dispute between Mr. Hubbell and the Rose Law Firm partners.

Question. Was it somebody just physically in the White House or an employee of the White House?

Answer. I believe it was an employee of the White House. I just simply don't recall who it was.

Question. And do you know if it was the President or the First Lady?

Answer. No.

Question. Or it was definitely an employee?

Answer. No, it was a staff member of the White House.

Question. Can you recall if it was somebody in the communications or——

Answer. I don't recall who it was. I have a recollection it probably came to the press office, but I just can't say sitting here today for certain who notified me.

Question. And what did you do when you were notified?

Answer. I called Mr. Hubbell.

Question. And can you tell us about that discussion?

Answer. Yes. I asked him about this matter. It surprised me. He assured me that he was focused on the matter. It was a billing dispute between he and his former partners, and I believe he told me that he felt that it could be resolved amicably and timely. That's how I remember the conversation with Mr. Hubbell.

Question. And what did you say to him?

Answer. I told him I hoped that would be the case, as I remember. Something to that effect.

Question. And did you have any conversations with anybody at the White House about that after your conversation with Mr. Hubbell?

Mr. BALLEN. Excuse me. Could we have a time frame on this conversation?

The WITNESS. I believe the article appeared around March 1st of 1994, and I think it was a day or two before the article. I think I called him in advance of the article actually appearing.

EXAMINATION BY MS. COMSTOCK:

Question. Can you describe any subsequent conversations that you had with anybody following that?

Answer. I believe I reported my conversation or related my conversation to Ms. Myers, who was press secretary, and I may have told other staff members in the White House, including members on my staff.

Question. And would that have included Mark Middleton?

Answer. It probably would have included Mr. Burton is who I was referring to.

Question. And do you know what you told Mr. Burton?

Answer. I think I simply related the conversation to him as I did to you.

Question. And did you speak with the President about this?

Answer. I don't recall speaking to the President about it, but I certainly could have.

Question. You don't recall at that precise time speaking with the President, or you don't recall at all talking with the President about Mr. Hubbell's legal problems?

Answer. In that time period I don't recall whether I related my telephone conversation with Mr. Hubbell to the President or not. I just simply don't remember whether I did in that time frame.

Question. All right. Do you recall if you spoke with the First Lady about that conversation?

Answer. I don't recall my speaking to the First Lady about it. It's possible that I did, but I don't remember that I did.

Question. You were aware that Mrs. Clinton had been a partner at the Rose Law Firm with Mr. Hubbell, of course?

Answer. Yes, I was aware of that.

Question. And have you ever had any discussions prior to learning of this with the First Lady about any legal problems at the Rose Law Firm with Mr. Hubbell?

Answer. No, I was not aware of any legal problems at all.

Question. So you had not talked to any partners at the Rose Law Firm or heard about any accounts from anybody else who relayed information to you?

Answer. No, I had not.

Question. Okay. Nobody from Arkansas had called you and given you a heads up before you heard about the news article or anything like that?

Answer. No. I think—no, I don't believe I had heard about it prior to being notified by a staff member at the White House.

Question. This is the March 2nd Washington Post article about the law firm, about the Rose Law Firm probing Mr. Hubbell. In this article it discusses an internal investigation to be done by the firm in the summer of 1992, and it mentions CRTC investigating these matters, and that the law firm had been subpoenaed by Mr. Fiske. Do you recall discussing any of these particulars with Mr. Hubbell?

Answer. No, I do not.

Question. Do you recall on or around March 2nd with the appearance of this article if you were involved in any discussions about what this investigation of Mr. Hubbell was going to include?

Answer. No, I don't believe I had any discussions of that type.

Question. With anybody at the White House?

Answer. I don't recall any discussions. My understanding was a billing dispute between the partners, former partners, of Mr. Hubbell's—Rose Law Firm and Mr. Hubbell.

Question. And so when this article appeared on March 2nd, 1994, and discussed that the firm was considering notifying the CRTC that the law firm had been subpoenaed by Mr. Fiske, you did not discuss anything like that with anybody at the White House?

Answer. I don't recall having discussions of that type in the White House, Ms. Comstock.

Question. Were you aware of anyone at the White House being concerned about any of those matters?

Answer. I don't recall those matters being raised with me.

Question. Do you know if anybody was working on those matters at the White House?

Answer. I'm not aware that they were.

Question. Were you aware of Mr. Ickes working on any of these matters related to Mr. Hubbell?

Mr. TAYLOR. The problem with the questions, Barbara, is that the time frame of them is not clear. We all understand that the Hubbell issue and the decision about it was an evolving process, and to ask him whether he ever—if your question means did he ever have a conversation with anybody about the unfolding Hubbell set of problems, that's one thing. I think he has understanding your questions to refer to this article.

The WITNESS. Uh-huh.

Ms. COMSTOCK. I'm talking about the March time frame; I mean, from the time you learned of Mr. Hubbell having some legal problems to the time he resigned, if we can contain it in that time initially, if there were——

The WITNESS. Yes, I don't think I understood—I'm not clear on your question.

Mr. BALLEN. I had understood the question as to referring simply to the March 2nd or thereabouts.

EXAMINATION BY MS. COMSTOCK:

Question. Why don't we expand. He announced his resignation on March 14th, so I'm not talking about a huge amount of time, but if we could discuss it in that time

frame, from the time you first got notified of the article which you have indicated is your first recollection of knowing about this to maybe the time when he resigned, and if you can walk through any conversations you had with people at the White House about matters related to Mr. Hubbell.

Answer. I'm still not perfectly clear.

Mr. TAYLOR. The question now is——

The WITNESS. I'm sorry.

Mr. TAYLOR [continuing]. Starting on the first of March, when you first learned about it, take us through your contacts and conversations inside the White House leading up to the resignation.

Mr. BALLEN. The announcement of the resignation on March 14th.

Mr. TAYLOR. On Monday.

Forget the article, forget the article. Just tell her what happened that you are aware of in the White House, the context and conversations which we know occurred leading up to the resignation.

The WITNESS. The article had appeared on March the 2nd, which I've already discussed with you. I believe there were some subsequent articles that may have come up at our regular staff meetings about current news articles in the newspaper that appeared between this article and the resignation on the 14th. I don't recall that, but it's certainly possible. I spoke with Mr. Kantor on, I believe, Saturday. I believe I talked to Ambassador Kantor about another matter, and during the course of our conversation, Mr. Hubbell's situation came up, and Mr. Kantor related that he had had discussions with Mr. Hubbell, which did not surprise me; I knew they were good friends and had, I believe, worked together on various legal matters. And Mr. Kantor indicated that this matter was a matter he did not think perhaps could be resolved timely and was weighing heavily on Mr. Hubbell, and he felt badly about that, something along those lines, Ms. Comstock.

During that conversation with Mr. Kantor, he said that Mr. Blair, Jim Blair, had spoken with Mr. Hubbell or with Mr. Kantor and shared his less than optimistic view about this situation, and Mr. Kantor expressed personal concern as a friend and colleague of Mr. Hubbell's during the conversation as well, as I remember it.

I then called Mr. Blair, whom I knew, because I was not aware that he had had conversations with Mr. Kantor or Mr. Hubbell. As I remember that telephone conversation, Mr. Blair also had a negative assessment that this situation would resolve in a satisfactory or favorable way, or in a timely way. I believe he said something like, there's acrimony on both sides of this issue, and he too felt badly for Mr. Hubbell.

That then led to the Sunday discussion of this matter, which occurred after a meeting in the White House with the President and the First Lady where we had talked about the organization and staffing of the White House, and as that meeting concluded, someone raised the matter of Mr. Hubbell, and that the possible—the possibility of his resigning. I do not recall who raised that matter at the meeting I am talking about on Sunday.

EXAMINATION BY MS. COMSTOCK:

Question. And who was at that meeting?

Answer. That's what I was just going to say. The President and First Lady were present, as I think I've already noted. Mr. Ickes, who was Deputy Chief of Staff; Ms. Williams, who was Chief of Staff to the First Lady; Mr. David Kendall, the President's personal attorney from Williams & Connolly; and I believe Mr. Bob Barnett was present, who is a partner of Mr. Kendall's.

Question. Was Bruce Lindsey at that meeting?

Answer. I don't believe Mr. Lindsey was present at that meeting. It's possible, but I don't believe he was present.

Question. Okay. I'm sorry. Continue.

Answer. After the meeting concluded about the staffing and organization of the White House, particularly with a change in White House counsels with Mr. Nussbaum leaving and Mr. Cutler joining the White House, someone raised the Hubbell matter as we were breaking up and suggested this was becoming increasingly a topical matter in the press and might lead to the necessary consideration of whether Mr. Hubbell could continue to serve effectively as Associate Attorney General.

There was a brief discussion about the current situation, and as I remember that conversation, there was not closure reached in terms of Mr. Hubbell's making a decision to resign or being asked to resign, but I think I gathered that the trend line was a negative one, which was consistent with my conversations with Mr. Kantor and Mr. Blair. I believe that is a——

Ms. COMSTOCK. I'm sorry. We have had some other people come in the room. Why don't we identify them for the record.

Mr. BALLEN. This is Michael Yang, and this is Michael Raphael with the Minority staff.

Mr. BOSSIR. Tom Bossert, B-O-S-S-E-R-T.

Ms. COMSTOCK. An intern with our office.

Nobody else can come in the room. Just so you know, we haven't had that happen yet, too many strays wandering in.

Mr. BALLEN. Is there a question pending?

Ms. COMSTOCK. No. I think Mr. McLarty was continuing the narrative of the meeting on Sunday, I guess it would be March 13th.

The WITNESS. That's correct.

Mr. TAYLOR. Then I think the question fairly calls for you to take them all the way to the point of the resignation itself.

The WITNESS. All right.

As I recall, I don't believe I had any further conversations about the matter that day, although I may have, and I believe I was informed the next day, Monday, that Mr. Hubbell had made a decision to resign, and that resignation would be announced Monday effective at some later date. And I believe, Ms. Comstock, that I called Mr. Hubbell I believe, on that day, it may have been the next day, but I believe it was that day, Monday, after the public announcement had been made and expressed my regret that he had reached this decision, but understood his decision and supported it, and thanked him for his service and wished him well.

I believe that's a full recitation of the events.

EXAMINATION BY MS. COMSTOCK:

Question. Returning to—I think we need to describe the Saturday discussion with Mr. Kantor. I guess the Sunday meeting you went through. That would be then Saturday, March 12th, and Sunday, March 13th, and the resignation occurs on Monday, March 14th.

The first article that we discussed was March 2nd, 1994. Do you recall if you had any conversations between March 2nd, 1994, or not—I think you testified you heard about this a few days before the article appeared?

Answer. Yes.

Question. Between the time of those conversations that you have testified to prior to the first article and that Saturday, the 12th, those conversations with Mr. Kantor, do you recall any conversations you had with anyone at the White House about Mr. Hubbell's situation?

Answer. No, I do not.

Question. If I could just put this in context to refresh your recollection, do you recall at or around early March of 1994, I believe it was March 4th, 1994, there were a number of subpoenas to the White House, it was a Thursday or Friday afternoon, for a number of Whitewater matters. Do you recall anything having to do with Mr. Hubbell that came up in the context of receiving subpoenas? And I'm not asking you about the subpoenas themselves, I'm just asking you in light of that happening, if there were discussions at the White House about any matters related to Webster Hubbell?

Answer. No, I don't recall any discussions of that type.

Question. And then at that time Mr. Nussbaum also resigned in the wake of those various activities, the subpoenas and a number—it was approximately March 4th or 5th also. I'm not connecting that together, I'm just saying at that time, there were a lot of—there were a lot of events occurring, to place it in context, with all of these events happening, if that refreshes your recollection in terms of any matters that were discussed pertaining to Mr. Hubbell.

Answer. I don't recall any discussions regarding Mr. Hubbell and the Whitewater subpoenas whatsoever.

Question. So you don't recall any discussions about the fact that Mr. Fiske may be looking at Mr. Hubbell also in the context of Mr. Fiske putting out subpoenas; there never was any discussion in that early March time about well, now, they're looking at Mr. Hubbell, too?

Answer. I certainly never—I don't believe I heard any discussion of that type. I don't recall any discussion of that type sitting here today.

Question. Okay. Were you ever aware prior to Mr. Hubbell resigning of any discussions of a settlement of Mr. Hubbell with the Rose Law Firm?

Mr. TAYLOR. Well, he has testified that Hubbell told him he thought it could be resolved amicably.

Ms. COMSTOCK. I was just wondering if he was trying to try to make a settlement, or if—what he was doing about trying to pay them, you know, and resolve this.

The WITNESS. No, I heard—I don't believe I was aware of any settlement discussions, other than as I was going to testify Mr. Hubbell suggesting to me he thought this matter, a billing dispute matter, could be resolved, I believe he said, in an amicable and a timely fashion. I think that's what I remember.

EXAMINATION BY MS. COMSTOCK:

Question. So he never said anything to you like, my attorney is trying to settle this with him, and it should be taken care of by X date, or anything like that?

Answer. No, no, I didn't have any knowledge of any settlement discussions, if there were any.

Question. Did he ever mention to you his talking to any of the partners at the law firm?

Answer. I don't recall his saying anything of that nature to me; no, I do not.

Question. Do you remember anything about there were certain partners who were friendly to him and certain partners who weren't, and how he was trying to work with either side of the dispute?

Answer. No, he did not share any of that type of information or insight with me, nor did I ask him.

Question. Did you ever discuss any of these matters with Bill Kennedy, who had also been a partner at the Rose Law Firm?

Answer. No, I don't believe I ever spoke to Mr. Kennedy.

Question. At no time between sort of your learning about these articles and Mr. Hubbell's resignation did you ever talk to Mr. Kennedy about this?

Answer. No, I don't believe I ever spoke with Mr. Kennedy about it, to the best of my recollection.

Question. Were you ever aware of anybody else at the White House who may have talked to Mr. Kennedy about any knowledge he had about how the Rose Law Firm was going to handle the matters pertaining to Mr. Hubbell?

Answer. No, I can't recall any discussions of that type by anyone else with Mr. Kennedy or their being related to me.

Question. If I could return to the Saturday discussion that you said you had with Mr. Kantor. Mr. Kantor told you that Jim Blair spoke with him?

Answer. I believe Mr. Kantor related that he had spoken with Mr. Blair.

Question. Did you know who called who?

Answer. No, I do not.

Question. Okay.

Answer. It was just my understanding that Mr. Kantor said he and Mr. Blair had spoken, if I recall correctly, and that Mr. Blair had also spoken to Mr. Hubbell. That's as I remember the conversation with Ambassador Kantor.

Question. Did Mr. Kantor tell you what Mr. Blair had said to Mr. Hubbell?

Answer. No, I don't believe he went into detail. I don't recall that he did.

Question. Did he tell you that Mr. Blair told Mr. Hubbell he thought he should resign?

Answer. I don't recall Mr. Kantor's telling me that.

Question. Okay. Did Mr. Kantor tell you anything about Mr. Blair speaking with the Rose Law Firm partners?

Answer. No, I don't believe he mentioned that to me.

Question. Now, you said you in turn called Mr. Blair; is that correct?

Answer. That is correct.

Question. When you spoke with Mr. Blair, did he ever tell you he had been in touch with people at the Rose Law Firm?

Answer. I don't recall his saying that, and I don't believe that he did. It is possible that he did, but I don't believe he did in our telephone conversations.

Question. Were you aware of Mr. Blair being in touch with the firm?

Answer. No, I was not.

Question. No one at the White House ever mentioned anything about Jim Blair is in touch with Rose Law Firm partners?

Answer. I didn't know Mr. Blair was involved at all until Ambassador Kantor told me Saturday morning. I believe it was Saturday morning.

Question. In this discussion with Mr. Blair, did Mr. Blair tell you he had spoken with the President about Mr. Hubbell?

Answer. I don't remember that he did. It's possible that he did. I don't remember in that telephone conversation Mr. Blair saying that.

Question. Did he tell you anything about the President asking him, Mr. Blair, to speak to Mr. Hubbell about resigning?

Answer. I don't recall anyone, Mr. Blair or anyone, relating to me that they had asked Mr. Hubbell or were going to ask or were considering to ask Mr. Hubbell to resign. I don't remember that being an issue.

Question. All right. So to your knowledge, I mean do you know if anyone asked Mr. Hubbell to resign?

Answer. To my knowledge, no one did or—did ask him to resign. He made that decision on his own.

Question. So your understanding was that Mr. Hubbell himself made the decision and nobody had asked him to resign?

Answer. That's my understanding, that Mr. Hubbell reached that decision.

Question. And so that nobody—your understanding is no one had gone to Mr. Hubbell and told him, the President would like you to do this, or I've spoken with the President, and he would like you to do this?

Answer. I don't recall anyone telling me that they had been asked to discuss that with Mr. Hubbell or they were considering doing that. It's possible that they did, but I don't believe so.

Question. I'm showing the witness a document, I guess, from your calendar, EOP 52248, I believe it is. It's cut off on your copy.

Answer. Uh-huh.

Question. And the date of it is February 21st. At the bottom of the page it reads, "Webb/Legal," and then it says, number 1, Kennedy, it appears.

Answer. Right.

Question. Or actually, maybe you could tell us what it says. If that's your handwriting, you would be better at reading that, if you could?

Answer. It's a diplomatic way of asking me to read my handwriting.

Mr. BALLEN. In fact, is it your handwriting would be the first question, sir?

The WITNESS. I believe it is. I believe it is.

It is on my to do list, and up at the top here it was, one, organization, ORG, that's what that stands for; and then as item number, I believe, 11 on what was a long list here, it has, "Webb/Legal." And then it was, one, Kennedy; two, Bernie; three, HRC attitude; and then by the side of it it has "Webb" noted on the side.

EXAMINATION BY MS. COMSTOCK:

Question. And can you tell us what you recall this was referring to?

Answer. It's always difficult to recall with certainty notes that you made several years ago on a to do list, but I am relatively certain that what this suggests is a number of staffing organization matters that I was considering at the time, and I believe this notes my wanting Webb's opinion about Mr. Nussbaum and whether or not it was—whether or not Mr. Nussbaum should continue as White House legal counsel, whether Mr. Kennedy should continue in the Legal Counsel's Office, what was his judgment about that; and then if Mr. Nussbaum were replaced, how Mrs. Clinton would feel about that, given their friendship; and also if Mr. Kennedy were either replaced or moved to a different position, how Mrs. Clinton would feel about that.

So I think I was asking for Mr. Hubbell's opinion about certain organization and staffing matters of individuals that he knew.

Question. And what were the matters related to Mr. Kennedy at that time?

Answer. I think, as I recall it, Mr. Kennedy had worked closely with Mr. Foster, who, of course, had taken his life, and if we had a change in the White House Counsel's Office, how they would feel about retaining some of the staff there, and was it time to make some rather broad changes in the White House Counsel's Office, if, indeed, a change were made.

Question. Okay. So the legal reference with Mr. Hubbell has nothing to do with Mr. Hubbell's legal situation then?

Answer. That's absolutely correct.

Question. So as of February 21st, 1994, you had no idea about any legal problems related to Mr. Hubbell?

Answer. None whatsoever.

Ms. COMSTOCK. Okay. Let's make that Deposition Exhibit number 1.

[McLarty Deposition Exhibit No. TM–1 was marked for identification.]

[Note.—All exhibits referred to may be found at end of the deposition.]

The WITNESS. May we take a break for just a couple of minutes?

Ms. COMSTOCK. Sure.

[Brief recess.]

Mr. BALLEN. There are other people in the room. Could we just introduce them again?

Ms. COMSTOCK. Mr. Bossie is also here. I think that's the only addition we have had, and we have had a few exits.

EXAMINATION BY MS. COMSTOCK:

Question. Other than Mr. Kantor or Mr. Blair, do you know of anyone else who spoke to Mr. Hubbell prior to his resigning?

Answer. I'm sorry.

Question. You mentioned the conversations that you knew about that Mr. Kantor and Mr. Blair had with Mr. Hubbell, and then you yourself had a conversation. Was there anybody else that you knew of who spoke to Mr. Hubbell prior to his resigning?

Answer. No, I'm not sure who spoke to Mr. Hubbell prior to his resigning.

Question. Okay. Do you know if David Kendall or Bob Barnett talked with him?

Answer. I don't know whether they spoke with him or not.

Question. Or Bruce Lindsey?

Answer. I don't know whether Mr. Lindsey talked to Mr. Hubbell or not.

Question. Do you know if Skip Rutherford had been in touch with him at all?

Answer. I don't know whether Mr. Rutherford had talked to Webb or not.

Question. So there is nobody else that comes to mind that you can think of who spoke to Mr. Hubbell prior to his resignation?

Answer. No, there's not.

Question. When you spoke with Mr. Hubbell, did you ever have any discussion with him about what he would do if he left the Justice Department?

Answer. I don't recall whether I did or not. I may have. I don't know whether we covered that subject matter when I talked to him or not.

Mr. BALLEN. Could we just have a time frame? Are we still in the March——

The WITNESS. As I think Ms. Comstock is referring to my calling Mr. Hubbell on the 14th or 15th. That's how I took your question.

Ms. COMSTOCK. Yes.

The WITNESS. Is that right?

Ms. COMSTOCK. Yes.

EXAMINATION BY MS. COMSTOCK:

Question. And the time frame, when you were having—or, you know, initially when you described the initial phone call you had with him where he said it's no problem, so I am assuming that didn't come up at that time, and now after he resigned, did you ever have any conversation?

Answer. It may have come up in the conversation, but I don't remember that it did.

Question. But prior to him resigning, you don't recall any discussions with him about what he would do?

Answer. Ms. Comstock, to the best of my memory, I do not believe I spoke to Mr. Hubbell, I certainly don't recall speaking to him, between the time I visited with him on March the 1st, or whatever date it was before the article, and his resigning on the 14th. I don't believe I talked to Mr. Hubbell during that period. It's possible I did and don't remember it, but I don't believe I spoke to him.

Question. And in the Sunday meeting that you discussed, I'm showing the witness a copy of your calendar, EOP 52249, and if you could just—again, this is your handwriting; is that correct?

Answer. It is.

Question. Okay. Could you read for us what the entry that is there says?

Answer. It says, Jim Blair, Kendall/Webb, HRC statement, Maggie.

Question. And could you tell us what that refers to?

Answer. I can't tell you with certainty sitting here today what it refers to, but I can, I believe, make a reasonably good surmise or guess.

Question. Okay. Could you do that for me?

Answer. I think it contemplates if Mr. Hubbell resigns, that we will need a statement perhaps from Mrs. Clinton about his resignation and maybe other statements as well, and that I'm going to discuss that or assign someone to discuss that with Mr. Blair, Mr. Kendall and Ms. Williams.

Question. And was this the time of the meeting on Sunday with the 1 o'clock entry there, if you recall when the meeting was on Sunday?

Answer. The meeting was on Sunday morning, so this was after the meeting.

Question. So these are notes that you think you made after the meeting?

Answer. I don't know that I made them after the meeting, Ms. Comstock. This is how I kind of keep my calendar here a bit, so I may have already had these notes, and I may have made it after the meeting. I just simply don't know.

Question. Do you know if you made any notes during that meeting on Sunday, the 13th?

Answer. Yes, I did.

Question. Okay. Do you know what you did with those notes?

Answer. They are in my files.

Question. And did the notes at all refer to Mr. Hubbell?

Answer. They did not.

Question. The notes were regarding organization and staffing of the White House?

Answer. And staffing, yes.

Question. Do you recall if anyone else at the meeting took notes?

Answer. I don't know whether anyone else at the meeting took notes or not. I don't recall that they did.

Question. From your experience at the White House working with Ms. Maggie Williams, did Ms. Williams usually take notes in meetings that you were at with her?

Answer. I honestly don't know.

Question. Or Mr. Ickes, did he usually take notes in meetings?

Answer. Mr. Ickes, from time to time I noticed him taking notes at meetings, yes. I don't recall whether he took notes at this meeting or not.

Question. Okay. And you had said that as the meeting concluded that Sunday morning, that somebody who you couldn't recall raised the issue of Mr. Hubbell and him resigning. Do you recall at any point during the meeting if you had said anything about what Mr. Hubbell was going to do or helping Mr. Hubbell?

Answer. No, I don't recall that matter coming up in the discussion about Mr. Hubbell at all.

Question. In news reports it's been indicated that you do recall something being said to the First Lady; is that correct?

Answer. It was after the meeting was breaking up.

Question. And that was the meeting on the 13th?

Answer. That's correct.

Question. I don't believe we discussed that yet. Could you tell us about that?

Answer. We have not.

The formal meeting about the staffing and organization had concluded. The subject about Mr. Hubbell had been raised. We concluded that discussion.

Question. So the discussion about Mr. Hubbell came up within the meeting of—generally of all the people?

Answer. I believe most of the participants were still there. It's possible one or two had left, had departed.

Question. Okay. And that was the discussion of him resigning?

Answer. The possibility of his resigning.

Question. And your understanding of that was that there hadn't been a final decision yet?

Answer. As I remember it sitting here today, there was not closure reached at this meeting.

Question. Do you recall anything the President said in the meeting about Mr. Hubbell?

Answer. As I remember it, the President listened to the discussion. I don't recall his saying anything. He may have, but I don't recall his making any comments during this discussion about Mr. Hubbell.

Question. Do you recall if the First Lady said anything in that discussion?

Answer. I recall her listening as well, and I don't recall her making any comments. She may have, but I don't recall any remarks that she made.

Question. Can you generally recall who it was that was making, sort of narrowing—I mean, it is a small group of people—who was sort of generally making the comments about Mr. Hubbell?

Mr. TAYLOR. Well, you have already asked him that, Ms. Comstock, the first time around.

Ms. COMSTOCK. I know. I'm just trying to—somebody——

EXAMINATION BY MS. COMSTOCK:

Question. Was it a male or a female?

Answer. I don't recall who raised the topic of Mr. Hubbell, and I don't recall the President or First Lady making comments, although they may have. I have a vague recollection of Mr. Ickes making comments, but I don't recall—I can't attribute what

he said to him, and others may have spoken, including myself. I just don't remember.

Question. So that's entirely what you remember of the account of him resigning; that's as much as you can remember at this time?

Mr. BALLEN. He has already testified to that three times now.

The WITNESS. I think so, yes.

EXAMINATION BY MS. COMSTOCK:

Question. And then could you go into the matters that you raised with the First Lady?

Answer. As the meeting was breaking up, I spoke to the First Lady as I was leaving and related to her that we would try to be supportive of Webb in a difficult period. That's, as I recall, my comment to her. I'm not sure that's a direct quote, but it was something to that effect.

Question. And what did the First Lady say to you?

Answer. She acknowledged my comment and said, Mack, thank you very much.

Question. And that's the entire conversation?

Answer. It was that type of exchange. She made——

Mr. TAYLOR. The question is, was that the entire conversation?

The WITNESS. Yes. Well, let me say I don't remember exactly what was said, but my memory is she acknowledged my comment and said, Mack—something to the effect, Mack, thank you very much. She may have said something like, I appreciate that, and that was the entire exchange, and I departed.

Ms. COMSTOCK. Okay.

EXAMINATION BY MS. COMSTOCK:

Question. When you indicated that you were going to try and help Mr. Hubbell, what did you have in mind when you said that?

Mr. BALLEN. Excuse me. That wasn't his testimony. I believe his testimony was that he would——

Mr. KANJORSKI. Is it okay if I bring my staff?

Ms. COMSTOCK. Could we go off the record for a minute?

[Discussion off the record.]

Ms. COMSTOCK. Congressman Kanjorski is present, and at this time would you like to ask questions, Mr. Kanjorski?

Mr. KANJORSKI. Since I just came in, I will defer to you. Later on, if I may, yes.

Ms. COMSTOCK. Okay.

EXAMINATION BY MS. COMSTOCK:

Question. We'll just begin again from the question.

This conversation you had with the First Lady about Mr. Hubbell, again you said something to the effect of you wanted to—you were going to be supportive of Mr. Hubbell; is that the gist of it?

Answer. Something to that effect.

Question. And what did you have in mind when you said that?

Answer. I think it was just simply a human expression of caring about a friend and a colleague, and I don't think I had any developed thoughts in my head other than not to abandon a friend who was facing a difficult period.

Ms. COMSTOCK. I want to go ahead and make this March 13th, 1994 calendar entry of Mr. Hubbell Deposition Exhibit Number 2.

[McLarty Deposition Exhibit No. TM–2 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I'm showing you a copy of notes we received from the White House, EOP 20328.

Is this your handwriting, Mr. McLarty?

Answer. It is.

Mr. BALLEN. Excuse me. Could we have an extra copy for Mr. Kanjorski?

Ms. COMSTOCK. Of course.

Mr. BALLEN. Thank you.

EXAMINATION BY MS. COMSTOCK:

Question. And could you read those notes for us, if you could?

Answer. Yes, I can, or I will try to. It says, base, Ron Perelman, dash, HI; Truman Arnold; B. Rapoport/others; consulting arrangements; law firm's reluctant to touch

him; Mickey to help; Vernon, two checks, which means ditto, to help; indemnity agreement; Christine; and it has P 1 week, which it means pending 1 week.

Question. Pending 1 week?

Answer. Pending 1 week, yes.

Question. And what did the pending 1 week mean?

Answer. A tickle file that this note would come back up in 1 week.

Question. Okay. And could you walk us through what these notes mean?

Mr. BALLEN. Have we established, maybe I just didn't hear, a date for these notes?

Mr. TAYLOR. No.

EXAMINATION BY MS. COMSTOCK:

Question. Well, if you could tell us if you recall when you made these notes?

Answer. I don't know when I made these notes. There's not a date on these notes.

Question. Do you recall if they were at or around the time of when Mr. Hubbell resigned?

Answer. I believe they were after he had resigned. I don't know what time frame these might have been.

Question. Do you generally recall if it was in the spring of 1994?

Answer. I believe that's quite likely.

Question. Okay. And if you could just tell us to the best of your recollection what you meant in your notes here?

Answer. Well, these are notes that I made, and it's hard sitting here today to recall not only when I made them, but precisely what I meant by them, so I will try to be responsive to your question with that caveat or context. And I don't know whether they reflect a conversation I was having with someone or reflect a quick jotting down of my thoughts about Mr. Hubbell and his transition to the private sector, but that's to me, I believe, what they relate to. And they suggest to me that, one, "Law firm's reluctant to touch him," that the transition to me is going to be a difficult one, as I thought it would be.

Question. And why did you believe that law firms would be reluctant to touch him?

Answer. I believe that had been related to me by someone; whether it be Mr. Burton or others, I had been told that.

Question. Do you recall conversations you had with Mr. Burton about Mr. Hubbell's employment in the spring of 1994 time period?

Answer. Yes, I do.

Question. Could you tell us what those conversations were?

Answer. Mr. Burton knew Mr. Hubbell, as well as of course I knew him, and we discussed this situation, which was a sad and disappointing one, on a couple of occasions, including Mr. Hubbell's transition to the private sector, and I believe Mr. Burton, as I remember it, felt as I did that it would be a difficult period for Mr. Hubbell and his family.

Question. But do you know how Mr. Burton may have learned that law firms weren't going to—were going to be reluctant to hire Mr. Hubbell?

Answer. We discussed the possibility of the Jones Day law firm, which Mr. Burton had been associated with prior to his service in the White House, and the Jones Day firm had also done work for Arkla when I was chairman of Arkla, as a possibility, and our mutual friend, Mr. Brad Keithley, who had worked with me at Arkla as our general counsel and now was a partner at Jones Day, and the possibility that we might suggest to them that Mr. Hubbell, we felt, was a fine individual and what were their thoughts about his possibly doing some work with them.

Ms. Comstock, I can't remember whether I asked Mr. Burton to call Mr. Keithley or he did it on his own. At any rate, I think he talked to Mr. Keithley, whom he knew quite well, as I did, and I believe that was Mr. Keithley's feedback or assessment, that with this pending matter with the Rose Law Firm partners, he thought it would be difficult for Mr. Hubbell to join a traditional major law firm.

Question. And when you heard that, did that give you cause to, you know, review the matter and think, you know—because I think the—in the news articles they had indicated that all 28 partners of the Rose Law Firm had taken this action against Mr. Hubbell. Did that cause you to reassess your evaluation of the situation at that time?

Answer. No, it did not.

Question. Okay. If you could continue with describing the notes then.

Answer. Along those lines I had also had an occasion to visit with Vernon Jordan, which I did regularly during my tenure in the White House as Chief of Staff, and we had discussed the Hubbell matter. Mr. Jordan knew Mr. Hubbell as I did, and

I believe Mr. Jordan also had related he thought it would be difficult for Mr. Hubbell to join a traditional law firm, and it may be that comment came from him. I'm just not sure one or the other, but that was the understanding or emphasis that I believe this refers to.

Question. Was there any attempt to ask Mr. Jordan if Mr. Hubbell could join that law firm?

Answer. No. I don't recall asking——

Question. Mr. Jordan's law firm?

Answer. I don't recall asking Mr. Jordan to consider that.

Mr. BALLEN. I'm sorry, to consider what, sir?

The WITNESS. Mr. Hubbell joining Mr. Jordan's law firm. I don't think I raised that issue with Mr. Jordan.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. And why don't we go then to the other individuals that are on here.

Answer. All right. Again, I'm not certain exactly when or how I made these notes. I believe they are actually on the back of a note where I was handed a phone message that Mr. Jordan was holding for me on the phone. I believe that's the case. So they could reflect some of my visit with him, but I'm not sure that is the case. They may have been made—I just used that note to make some notes later on. I'm just not sure when I made them.

At any rate, I think "Mr. Perelman" relates to Ron Perelman, a successful financier in New York, and I can't recall with certainty, Ms. Comstock, but I believe in my conversation with Mr. Jordan, I believe he related that he was empathetic with Mr. Hubbell's situation and was—he, too, was trying to be supportive of Mr. Hubbell in finding some opportunities as he left government service. And I believe he mentioned Mr. Perelman to me.

Question. Mr. Jordan mentioned Mr. Perelman?

Answer. I believe he did, but I can't say that with certainty, Ms. Comstock, but I believe that's the case.

Question. Just to clarify, we have received another document from the White House, which is 20327, which has, Vernon Jordan for you and Harold on line 33.

Is that what you're referring to when you said this might be on the back of something?

Answer. That's, I believe, correct.

Mr. BALLEN. Could we, the Minority and Mr. Kanjorski, have a copy of that?

Ms. COMSTOCK. Yes.

EXAMINATION BY MS. COMSTOCK:

Question. It solves one mystery for us on what that note was.

Could you identify whose handwriting that is on that note?

Answer. That is my administrative assistant Patty McHugh's handwriting, I believe.

Question. So you believe that this message on 327 was the message received when you wrote this; what is 20328 was on the back of that note?

Answer. Ms. Comstock, I believe that's right.

Question. Okay. What did you mean by when it says, base, Ron Perelman?

Answer. I'm not sure what "base" means. I don't know whether that refers to a base salary or a base company; I'm not certain what that means. It may not mean either. Sitting here today, it's hard to know what the word means on a scribbled piece of paper.

Question. When it says, dash, HI, was that something that Harold Ickes had brought up in the conversation with—or maybe we can establish that. Was Mr. Ickes also on the line with you with Vernon Jordan, if you recall?

Answer. I don't recall that he was. I can't say for certain he wasn't, but I don't recall that he was.

There's a couple ways you can read this note. It's impossible to reconstruct sitting here today. It's got, "Vernon Jordan for you," you could read it, and Harold is holding on another line. It could also mean, Vernon Jordan for you and Harold on line 33. I just simply don't remember.

I do have a recollection of talking to Mr. Jordan about Mr. Hubbell and his resignation and Mr. Jordan having basically similar feelings to me that he regretted it very much for a person he liked and had a regard for.

Question. And you're aware that Mr. Jordan then had some type of business relationship or connections with Ron Perelman?

Answer. No, I don't recall that I was aware of that. It is certainly possible that Mr. Jordan, in our discussion, related that, and I have since learned that from public press accounts, I think, but I can't say sitting here today that these notes, as I tried to say earlier, or testify earlier, that these notes reflect my conversation with Mr. Jordan. They may. It's just very hard sitting here today to know whether they reflect my conversation with him, which they may well, but it also could mean I just kept this piece of paper, which I do from time to time in just my daily activities, and then wrote some notes that were not reflective of my direct conversation with Mr. Jordan. I just simply don't know.

Question. And do you know the reference to Truman Arnold here how that came up?

Answer. I think by the time I wrote these notes, of course they don't have a date on them, I believe I had either talked to Mr. Arnold or was contemplating talking to Mr. Arnold about the possibility of his being supportive of Mr. Hubbell during this period, and I think that's what that refers to.

Question. And then the "Rapoport," is that Bernard Rapoport?

Answer. Yes, I believe that's correct.

Question. And could you tell us about Mr. Rapoport?

Mr. BALLEN. I'm sorry, I didn't hear the question.

Mr. TAYLOR. Tell us about Mr. Rapoport.

The WITNESS. I believe this reference suggests that either—it suggests that Mr. Rapoport might be someone who might have an interest in being supportive of Mr. Hubbell and having some employment opportunities for him. I believe that's what that reference means.

EXAMINATION BY MS. COMSTOCK:

Question. And why do you think Mr. Rapoport would be supportive of Mr. Hubbell?

Answer. I knew Mr. Rapoport knew Mr. Hubbell favorably. He is a very generous person. My assessment is he is a very generous person in nature and in spirit, and he had a very large and successful insurance company in Waco, Texas. So for those reasons, I thought he might be receptive to having employment opportunities for Mr. Hubbell.

Question. Were you aware of him also being a large donor to the DNC?

Answer. I was aware he was very supportive of President Clinton.

Question. And are you aware of Truman Arnold, I think we previously discussed, also being a fund-raiser for the President?

Answer. I knew Mr. Arnold had been involved in support of the President, including fund-raising, and had also, of course, been supportive of the President for close to 20 years.

Question. And the reference here is consulting arrangements?

Answer. Yes.

Question. Could you tell us what you meant there?

Answer. Ms. Comstock, I believe at some point perhaps Mr. Hubbell had mentioned me at some point. It may be my own notation, I'm not sure. Let me answer it this way, to be as accurate as I can be without speculating: That instead of pure legal work, that there might be consulting opportunities or arrangements for Mr. Hubbell. I think that's what that refers to.

Question. And do you have any idea what type of work Mr. Hubbell would be doing?

Answer. I became aware at some point that Mr. Hubbell had done considerable work in the environmental area in his prior law practice, so it seemed to be a possibility you could have a consulting arrangement or something of that nature. But I think this is just a notation that there might be consulting arrangements that would be beneficial to the client and be appropriate for Mr. Hubbell. I think that's what that refers to.

Question. And then when you wrote "Mickey to help"?

Answer. It is a notation, I think, that Mr. Kantor I believe would be supportive of Mr. Hubbell. I believe that's what that means.

Question. And what did you mean? How did you think he was going to help?

Answer. I don't know my exact connotation, but I think it suggests that I think Mr. Kantor would be supportive of Mr. Hubbell in his trying to reestablish himself in the private sector, whether it is being a reference or discussing possible opportunities for Mr. Hubbell, as someone I knew was a good friend of Mr. Hubbell and had very high regard for him.

Question. You had discussed with Mr. Kantor—you told us about the discussion you had with Mr. Hubbell resigning. But did you have discussions with Mr. Kantor about what kind of work Mr. Hubbell would do?

Answer. I don't recall any discussions with Mr. Kantor at all about Mr. Hubbell's future employment. I don't recall having any discussions with him.

Question. So when you wrote——

Mr. TAYLOR. Before you ask the next question, let me confer.

[Witness confers with counsel.]

Mr. TAYLOR. I'm sorry. Thank you.

EXAMINATION BY MS. COMSTOCK:

Question. When you made these notes, do you know if you—if you thought that Mr. Kantor was going to help him with work, find work?

Answer. I can't say, sitting here today, the precise meaning of this. It could have been, as I have said earlier——

Mr. BALLEN. Well, sir, no one wants you to speculate. I mean, if you know the answer, you recall it, then let's hear it. Otherwise, counsel admonished you not to speculate.

EXAMINATION BY MS. COMSTOCK:

Question. We're also asking you to give us your best recollection of how you read these things, also.

Answer. Well, I can't say with certainty. It perhaps was something Mr. Jordan said. As I said earlier, it could reflect what he said to me. It would not have surprised me.

Question. And then you recall, independent of this you recall when you had discussion with Mr. Jordan, of Mr. Jordan saying that he was going to help Mr. Hubbell?

Answer. I have a recollection that Mr. Jordan was empathic, as I was, with Mr. Hubbell's situation, and was going to try to be supportive of Webb during this period. I think I recall his expressing a similar attitude that I had.

Question. And other than Ron Perelman, do you recall anybody else that Mr. Jordan may have raised?

Answer. I don't recall his raising anyone with certainty, sitting here today, Ms. Comstock; and I think I commented or testified to that earlier. It is possible Mr. Jordan mentioned Mr. Perelman, but I can't say it with certainty. And I don't recall anyone else that he mentioned.

Question. And do you know, again, since you mentioned the "H.I." there, do you know if Harold Ickes knows Ron Perelman or had a relationship with Ron Pearlman in any way?

Answer. I don't recall——

Mr. BALLEN. Do you know whether or not "H.I." refers to Harold Ickes? Not speculating, but do you have an independent recollection?

The WITNESS. No, I don't have an independent recollection.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know if when you took notes—I know Mr. Ickes often puts "H.I." on his. Do you know how you refer to Mr. Ickes when you took notes?

Answer. From time to time I do refer to him as "H.I."

Question. And in the last sentence there on the notes that again says——

Answer. Indemnity agreement.

Question. And could you tell us if you recall anything about that? I don't recall what that notation means, sitting here today.

Question. And Christine, do you know if that was Christine Varney?

Answer. I don't know, sitting here today, who I'm referring to there. It may mean Ms. Varney, but I can't say that with certainty.

Question. And so you have no knowledge who you may have been talking with about an indemnity agreement. Was it an indemnity agreement regarding Mr. Hubbell?

Answer. I just can't say with certainty. It could have certainly meant that, but I don't know.

Question. So you cannot enlighten us in any way about what you meant in those notes?

Answer. Not on this particular entry.

Ms. COMSTOCK. I'd like to make that Deposition Exhibit No. 3. Actually 220327 and 20328 together I'll make Deposition Exhibit No. 3.

[McLarty Deposition Exhibit No. TM–3 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I'm showing the witness another calendar entry from his calendar which is EOP 20250, and the date is cut off of the copy that we've received.

Answer. Uh-huh.

Question. But I believe from the records in their entirety that this is March 17th, 1994. Again, is that your handwriting on that?

Answer. It is.

Question. And could you tell us what that says?

Answer. It says "Called Truman Arnold, dash, Webb."

Question. And does that refresh your recollection as to your discussions that you had with Truman Arnold?

Mr. TAYLOR. Ms. Comstock, he hasn't said his recollection is exhausted. He can't refresh his recollection if he hasn't said that.

EXAMINATION BY MS. COMSTOCK:

Question. Why don't you go into the conversations you had with Truman Arnold about Mr. Hubbell?

Answer. I called Mr. Arnold and asked him—or discussed with him the situation regarding Mr. Hubbell. He knew Mr. Hubbell. I was aware he knew Mr. Hubbell. And as I recall, I told Truman that I thought the transition would be a difficult one. He agreed, and I asked him to give consideration to any opportunities that he thought might be supportive of Webb in this period. He said he would do that.

Question. Do you have any understanding of what type of opportunities those would be?

Answer. No. We didn't discuss the details. I knew Mr. Arnold had a lot of business enterprises that he was establishing and building, but we did not discuss any specifics.

Question. And then, to your knowledge, what happened next that you know about Mr. Arnold and Mr. Hubbell?

Answer. Mr. Arnold told me he would give that some thought, and I believe he said he would get back to me, which I believe he did.

Question. And what did he tell you?

Answer. I believe the next call I received from Mr. Arnold, or my office did, and I believe I talked to him personally but I'm not certain of that, he requested some additional information regarding Mr. Hubbell and his background, his experience, his work experience, and asked that I provide that or get that information for him. I told him I would do so.

Question. Okay. Do you know if during that time, that time frame, if you also called Mr. Arnold from your home to discuss these matters with him, or were these just office calls that you had?

Answer. I don't know where I placed the calls. As you know, in any responsibility you have activities you're trying to get completed, call lists completed, and they sometimes run together between office and home.

Question. Do you recall with any particular clarity any phone calls you may have had at home with Mr. Arnold, as opposed to office calls you had with him?

Answer. I don't recall where I talked to Mr. Arnold, whether it was from my office or home or some other place as we were traveling. I just simply don't remember where I was when I talked to him.

Question. And he asked about more information about Mr. Hubbell, and did you then send him any more information?

Answer. I did.

Ms. COMSTOCK. Let me make this Deposition Exhibit No. 4.

[McLarty Deposition Exhibit No. TM–4 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is EOP 20325 through 26, which was a letter to you from Mr. Hubbell which reads, "Dear Mack: At your request, I am enclosing my bio. As we discussed on the phone. I will be leaving Justice on Friday, April 8th."

And then the top of it has handwriting which I believe is your secretary, Patty McHugh.

Answer. That is correct.

Question. Which is "Bill Burton. (Mack also sent to Truman Arnold.)" Was that the information that you recall sending to Mr. Arnold or being requested by Mr. Arnold?

Answer. Yes, it is.

Question. And could you just tell us how, when Mr. Arnold asked you for information, what you did, and get us to the point of this document?

Answer. I believe I called Mr. Hubbell and asked him to send some information of the type that Mr. Arnold had requested, and I believe this is what he sent in response to our telephone conversation.

Question. Do you recall if you told Mr. Hubbell about your conversation with Mr. Arnold?

Answer. No, I do not.

Question. But was it—did you relate to him that Mr. Arnold may be interested in hiring him in some capacity and that you had talked to him about that?

Answer. I just simply don't remember that conversation with Mr. Hubbell.

Question. When Mr. Hubbell was sending over his bio, was there—did he have an understanding of what you were going to be using it for?

Answer. I think it is likely that I did tell him that I had discussed this with Mr. Arnold, but I just simply don't remember the conversation, but I think it was like little. I do remember Mr. Arnold asking for additional information. I remember that telephone conversation.

Question. And then there's the notation for Bill Burton for this. Do you know why he is on here?

Answer. Ms. McHugh routed this to Mr. Burton as my staff director.

Question. Do you recall any discussions you had with Mr. Burton about this?

Mr. TAYLOR. What's "this"?

Ms. COMSTOCK. About Truman Arnold and Mr. Hubbell, about this letter, general matters relating to Truman Arnold and Mr. Hubbell.

Mr. TAYLOR. Well, that's three things. Can you ask him about a category that you want to be responsive?

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall speaking with Mr. Burton about this letter?

Answer. No, I do not.

Question. Do you recall generally speaking to Mr. Burton about Mr. Arnold being possibly interested in hiring Mr. Hubbell?

Answer. I believe Mr. Burton was aware of that. I don't recall a specific conversation with him about it, although I certainly may have had one.

Question. And can you tell us what happened next, to your knowledge?

Answer. I believe at some point Mr. Arnold called me back and said that he thought there were some areas that Mr. Hubbell could be helpful to him and his enterprises, and that he thought he was going to be able to work out some type of arrangement with Mr. Hubbell.

Question. And did you learn in fact that he did at some time?

Answer. At some point Mr. Arnold may have confirmed that with me, and I think he did.

Question. Do you recall what he said?

Answer. At some point I think Mr. Arnold told me he thought Mr. Hubbell was doing a good job for him. I think that's when I really learned that the actual agreement had been consummated.

Question. Do you recall what he said Mr. Hubbell was doing for him?

Answer. No, I do not. I think it was really just a statement, something like "Webb's doing a great job."

Question. But you have no understanding of what the job entailed?

Answer. No, I don't remember him discussing that in any detail, and I don't believe that he did.

Question. Did Mr. Hubbell ever tell you anything about what he was doing for Mr. Arnold?

Answer. No, I don't believe he has ever related that.

Question. Did Mr. Hubbell ever tell you about his being hired by Mr. Arnold?

Answer. No, I don't believe he did.

Question. So you never had any discussions with Mr. Hubbell about him being hired by Mr. Arnold?

Answer. I don't recall that I did.

Question. So other than—let me make it clear. When Mr. Hubbell sent over his bio, did he—do you recall if he knew that it was going to Mr. Arnold, or was this just generally your getting the bio for anybody who might be interested in it?

Answer. Ms. Comstock, I believe that I requested the bio from Mr. Hubbell for Mr. Arnold and told him that, and told him Truman was considering discussing with him certain employment possibilities. And I think that is what that relates to. I can't say, sitting here today, that I independently remember that telephone con-

versation with Mr. Hubbell, but I think that is highly likely what was the sequence of events.

Question. And do you recall Mr. Hubbell ever thanking you or saying anything to you about Mr. Arnold?

Answer. I just simply don't remember that he did.

Ms. COMSTOCK. I'll make this Deposition Exhibit No. 5.

[McLarty Deposition Exhibit No. TM–5 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Are you aware of any other efforts by Mr. Arnold to help Mr. Hubbell get other contracts with people?

Answer. Mr. Arnold may have told me in one of our conversations that he was perhaps going to approach others about the possibility of seeing if they had any opportunities for Webb. I think he may have mentioned that to me.

Question. Do you recall who the others were?

Answer. I don't know that he related specific individuals. He may have. I don't recall his doing so.

Question. Do you have any knowledge of him contacting Bernard Rapoport?

Answer. I don't believe Mr. Arnold told me that he either had or told me he was going to. It is possible that he did, but I don't believe so. He may have suggested he was giving some thought to contacting some individuals and may have even mentioned them by name. I don't remember that he did.

Question. Okay. And you know Mr. Rapoport; is that correct?

Answer. I do.

Question. Did you ever have any conversations yourself with Mr. Rapoport about his hiring Mr. Hubbell?

Answer. I don't believe I ever talked with Mr. Rapoport about Mr. Hubbell.

Question. At all about his employment?

Answer. About his employment. That's what I was talking about. I want to be sure I understood the question. No, to the very best of my memory and knowledge, I never talked with Mr. Rapoport about employment with Mr. Hubbell.

Question. Do you know Wayne Reaud?

Answer. Yes, I am acquainted with Mr. Reaud.

Question. Tell us how long you've known him.

Answer. I believe I've known him for 4 or 5 years.

Question. And how did you come to know him?

Answer. I believe Mr. Arnold introduced me to Mr. Reaud.

Question. And do you have any knowledge of Mr. Reaud hiring Mr. Hubbell?

Answer. No. I believe I learned that at some later point in time, perhaps even through the public press. Again, it is possible Mr. Arnold mentioned Mr. Reaud to me, but I don't believe that he did.

Question. And again, for any of—Mr. Rapoport or Mr. Reaud or others who you may have heard of, did you have any—a sense of what Mr. Hubbell was doing for them?

Answer. No, I—no, I do not.

Question. I think you had indicated that had you thought Mr. Arnold thought Mr. Hubbell was doing a good job, is about what you can recall.

Answer. I think I recall his making a statement of that type to me at some later period after the March period.

Question. Would you be surprised to learn that Mr. Arnold really hasn't had any work that he had Mr. Hubbell doing?

Answer. I don't know anything about what Mr. Hubbell did, nor Mr. Arnold.

Question. If, in fact, Mr. Hubbell hadn't done any actual work for Mr. Arnold, would that surprise you?

Mr. BALLEN. I'm going to object. That's a speculative question, calls for a hypothetical. The witness has already testified he didn't know the nature of the work that was being done.

Mr. TAYLOR. You can answer the question.

The WITNESS. I just simply don't know anything about the employment, and you're really—I just simply don't know anything about what Mr. Hubbell did or did not do for Mr. Arnold.

EXAMINATION BY MS. COMSTOCK:

Question. Would any of these, Mr. Arnold or any of these other people—do you recall whether you ever discussed any type of indemnity agreement with them at all?

Answer. No, I don't believe I did.

Question. Relating to Mr. Hubbell of course.

Answer. Yes, I understood your question. No, I don't believe I did.

Question. This is another calendar entry. Again, this is your handwriting; is that correct?

Answer. It is.

Question. This calendar is EOP 20252. I'm not sure if it is cut off, but I believe the date on this—which again is cut off but we've received these in sequence—I believe the date is March 28th. Does that say "Hubbell, Vernon, Truman" there?

Answer. It does.

Question. Do you recall if that was a meeting that you had with Mr. Hubbell and Mr. Jordan and Truman Arnold?

Answer. No, I don't believe I've ever had a meeting with Mr. Hubbell, Mr. Jordan and Mr. Arnold together.

Question. Do you know what that entry refers to?

Answer. I believe it is a notation to talk to Mr. Jordan and Mr. Arnold about Mr. Hubbell.

Question. Okay.

[Mr. Schumann enters room].

Ms. COMSTOCK. I will have that marked as Deposition Exhibit No. 6.

[McLarty Deposition Exhibit No. TM–6 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Can you just generally tell us, aside from Mr. Arnold and these others that you may have heard about that Mr. Hubbell spoke to, are there other people that you knew about who were going to hire Mr. Hubbell in the spring-summer of '94?

Answer. I don't think I knew anyone who was going to hire Mr. Hubbell, Ms. Comstock, other than Mr. Arnold told me at some point that he thought he could use Webb in some of his activities. To the best of my memory, that is the only employment opportunity that I recall knowing about that Mr. Hubbell was undertaking.

As I have testified before, it is possible that Mr. Arnold mentioned some other people he might be contacting, either generically or by name. I don't recall his doing that, but he may have mentioned that, but I don't know when I learned that they had some type of agreement with Mr. Hubbell. I think it was sometime later, perhaps even from public notice.

Question. In the spring and summer of 1994, can you generally recall how often you were in touch with Mr. Hubbell in the months after he left the Justice Department?

Answer. No, I can't—I can't recall how many times. I perhaps talked to him once or twice but I don't recall these times.

Question. Just once or twice in a matter of months?

Answer. Yes, I believe that's correct.

Question. So were you not in frequent contact with him during that time?

Answer. No, I was not.

Question. So it wasn't a once a week call or checking in, "How are you doing?"

Answer. No.

Question. You just had a few isolated conversations with him?

Answer. If that.

Question. Did you have any occasion to see him on social occasions with groups of people in that time frame?

Answer. I don't recall that Donna and I saw him at social occasions. It is possible. I recall one instance where we saw Mrs. Hubbell.

Question. And when was that?

Answer. Oh, it was some months after Mr. Hubbell's resignation, and we happened to see her at a restaurant and had a brief exchange with her.

Question. So did you go to any—Mr. Hubbell resigned on April 8th. Did you go to any parties or things that people had when he resigned or events they had for him at that time?

Answer. No, I don't recall that I did.

Question. And do you recall any events that Truman Arnold had that you attended that Mr. Hubbell was at?

Answer. I don't believe I attended any events that Mr. Arnold had, either on behalf of Mr. Hubbell or where Mr. Hubbell was. It's possible I did, but I don't recall them.

Question. Do you recall being invited to some that you were not able to attend?

Answer. I may well have been invited.

Question. I want to go through a few of Mr. Hubbell's other employers and establish your knowledge or lack thereof of his employers.

Do you know anything about Mr. Hubbell doing any work for the Lippo Group?

Answer. I do now.

Question. When did you first learn about it?

Answer. I believe I read about it in the public press sometime probably in the last year. I don't recall the specific time.

Question. So prior to press accounts of Mr. Hubbell working with the Lippo Group, you had no knowledge of that?

Answer. Yes, I don't believe I had any knowledge of that.

Mr. TAYLOR. That is the question? You don't need to tell her about press accounts at this point.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know the Riadys?

Answer. I do.

Question. Would you tell us how you know them?

Answer. I met James Riady and his wife, I believe in the late '70s, at a dinner party in their honor in Arkansas.

Question. And how often would you see Mr. Riady, James Riady?

Answer. During that period, Ms. Comstock?

Question. Well, what your relationship is or social relationship is, how you would characterize it?

Answer. I believe that's the only time that we saw Mr. Riady during the period that he lived in Arkansas, was on that one occasion.

Question. And did you have any occasion to meet with Mr. Riady in the White House at any time in 1993?

Answer. Yes, I did.

Question. Could you describe those meetings?

Answer. I believe I had an occasion to meet with Mr. Riady and, I believe, the governor of Jakarta, Indonesia, that had a sister city relationship either with Little Rock or with Arkansas, and we had, I think, a 15-minute visit sometime during 1993.

Question. Was this a meeting that Charlie Trie had worked to set up, do you recall?

Answer. No, I don't believe so.

Question. Other than that meeting, do you recall any other?

Answer. I believe I had lunch with Mr. Riady and Mr. Giroir and Mr. Middleton sometime later that year in the White House Mess.

Question. Do you recall how that came about?

Answer. I believe Mr. Giroir requested that meeting.

Question. Does Mr. Giroir do work for the Riadys or the Lippo Group?

Mr. BALLEN. Does he now or did he at the time?

EXAMINATION BY MS. COMSTOCK:

Question. Do you have knowledge if he does, and if so, when?

Answer. I believe I have read public press accounts that he does. I'm sorry, Mr. Taylor. When we had the luncheon, I don't remember Mr. Giroir saying he worked for the Lippo Group or my asking. I don't think I gave that matter any thought.

Question. Do you recall why were these people together or how they came to be together at the White House meeting with you?

Answer. I knew Mr. Giroir had known Mr. Riady from his time in Arkansas and they were acquainted with each other in that way. And the purpose of the luncheon, as I understood it, was to encourage outreach development with the Asian Pacific region, which was consistent with the President's trade agenda.

Question. And Mr. Giroir had Asian business?

Answer. I don't know whether he did or not.

Question. And do you have an understanding that Mr. Riady did have business in Asia?

Answer. Yes. My understanding was that he and his family had substantial business interests throughout the world, but certainly in Asia.

Question. In 1992, were you aware of the Riadys being contributors to the Clinton-Gore campaign?

Answer. I don't believe that I was.

Question. Were you aware of them being large contributors to the DNC?

Answer. No, I was not.

Question. So you had no knowledge about them giving large contributions to State parties in 1992?

Answer. No, I don't believe that I was.

Question. You never heard anything about that in the course of the '92 campaign?

Answer. No, I did not.

Question. And were there any other meetings that you had with the Riadys while you've been at the White House?

Answer. Let me think just for a moment. I believe I had seen Mr. Riady the ASEAN business group meeting that I spoke to in 1995 or 1996. I believe he was in attendance. It was a relatively large gathering, a hundred people or more.

Question. Is that A-S-E-A-N, is that how that's spelled?

Answer. A-S-E-A-N, that's right. And then I saw Mr. Riady, I believe, at the APEC Conference in Seattle in 1993, which the United States hosted and I attended.

Question. Do you recall meeting with him at that '93 conference?

Answer. No. I recall seeing him at that conference. There were a number of business leaders, both U.S. and from the Asian Pacific region, there. And I believe Mr. Riady was in attendance. I can't recall any other meetings, Ms. Comstock. I believe you asked me about meetings in the White House. I believe that's what you said, and I don't recall any others. There may have been others but I don't believe there were.

Question. Do you recall if you ever met with Mr. Riady in Jakarta, on the APAC trip to Jakarta in November of '94?

Answer. I did not attend the APAC meeting in Jakarta.

Question. Do you have any knowledge of the President meeting with Mr. Riady in November of '94 on that APAC trip?

Answer. I believe I learned he had seen Mr. Riady when he was there and I believe that was reported in the press.

Question. Do you recall if you knew before it was reported in the press?

Answer. I don't believe so.

Question. Why don't I return to Lippo and Mr. Hubbell.

So you had no knowledge of Lippo hiring Mr. Hubbell at any time?

Answer. No, not during this time period, not until a much later time period.

Question. And that was from press account itself; is that correct?

Answer. Yes, I believe that's right.

Question. And during, as we were discussing the employers, the time frame between April 8th when he leaves, or say March whether he decides he is going to leave and Mr. Hubbell is trying to find out what kind of work he is going to do, and then his plea was on December 6, 1994, so if we could look at that time frame in these questions.

Did you have any knowledge of him making any foreign trips in that time frame?

Answer. No, I was not—I did not have any knowledge.

Question. You never heard of anyone at the White House talking about where he was, his traveling or anything like that?

Answer. In 1994, I believe that's right, maybe 1995, there was discussion about an Arkansas group traveling to the APAC meeting in Indonesia, and I believe Mr. Hubbell was among that group that was considering going. Whether he ended up going, I honestly don't know. That would have been the only knowledge I would have had of any foreign travel on his part.

Question. Were you aware of the Riadys' meeting with Mark Middleton frequently or being waved into the White House by Mr. Middleton?

Answer. I was aware that Mr. Middleton saw the Riadys from time to time or Mr. James Riady from time to time.

Question. And what was your understanding of those meetings?

Answer. Mr. Middleton served as a liaison person for me, and from time to time had outreach to certain business leaders and, in that context I think I was aware from time to time that he saw Mr. Riady.

Question. Did Mr. Middleton ever tell you about any work Mr. Hubbell was doing for the Riadys?

Answer. No, he did not.

Question. You're aware that Mr. Middleton has taken the Fifth Amendment in this investigation?

Answer. I have read some press accounts. I don't know what position he has taken or not taken, other than just what I read in the press. I don't know the status of that, I guess is the correct status or answer.

Question. Do you have any knowledge of anything you know of that Mr. Middleton did at the White House that would be incriminating of Mr. Middleton?

Answer. No, I don't.

Mr. BALLEN. I'm going to object to that question. I don't think it is fair to ask the question of a witness about whether someone else may be asserting their constitutional rights or not. But he may answer the question.

Ms. COMSTOCK. Well, that wasn't the question.

EXAMINATION BY MS. COMSTOCK:

Question. I'm going to move through some of the other employers.

So there is no other knowledge you have of Mr. Hubbell doing any work with Riady or the Lippo Group?

Answer. No.

Mr. BALLEN. I'm going to object. That's the third time, for the record, that same question has been asked.

EXAMINATION BY MS. COMSTOCK:

Question. And Pacific Telesis, did you have any knowledge of Mr. Hubbell doing any work for Pacific Telesis?

Answer. No, I don't believe that I did.

Question. Do you know Jack Williams?

Answer. I do.

Question. How do you know Mr. Williams?

Answer. Mr. Williams is from Texarkana, which is 30 miles from my hometown of Hope, was a community leader there, and I have known him for 20 years or so.

Question. Do you have any knowledge of Mr. Jack Williams helping Mr. Hubbell in any way with any work?

Answer. No, I do not.

Question. Did you have any knowledge about Mr. Hubbell working or doing consulting work for the Sprint company?

Answer. No, I do not.

Question. And McAndrews & Forbes, did you have any knowledge of Mr. Hubbell doing any work with McAndrews & Forbes? Ron Perelman is affiliated with them, and you have testified about Mr. Perelman. So I just want to put it in that context, any knowledge you might have on that.

Answer. I appreciate that. I don't have any knowledge of whether he worked for Mr. Perelman or McAndrews & Forbes or not. I do believe—at some point I believe Mr. Jordan mentioned that to me as a possibility.

Question. Do you know Howard Gittis at McAndrews & Forbes?

Answer. No, I do not. I don't believe I know him.

Question. Do you have any knowledge of Mr. Hubbell doing any work for Mid-America Dairymen?

Answer. No, I do not.

Question. Do you have any knowledge of Mr. Hubbell doing any work for Sun-America?

Answer. No, I do not.

Question. A company affiliated with Eli Broad?

Answer. No, I do not.

Question. Do you know Mr. Broad?

Answer. I'm acquainted with Mr. Broad.

Question. Do you have any knowledge of Mr. Broad assisting Mr. Hubbell in any way?

Answer. No, I do not.

Question. Do you have any knowledge about Mr. Hubbell doing any work for the LAX airport, the City of Los Angeles?

Answer. Other than what I've read in public press accounts, no, I do not.

Question. Do you have any knowledge about Mr. Hubbell doing any work for the Consumer Support & Education Fund?

Answer. No, I do not.

Question. Do you know Mr. John Phillips?

Answer. It is possible I met Mr. Phillips, but I don't—I don't know him. It is possible I met him at a social event.

Question. Just to return a little bit to the Lippo, there are some people you may have know besides Mr. Riady know are do you know Jose Hanna with the Lippo Group or LippoBank.

Answer. No, I don't believe I know Mr. Hanna.

Question. Do you have any knowledge of Susan Thomases doing any work for LippoBank or Lippo affiliates?

Answer. No, I do not.

Question. Are you aware of trusts set up by Mr. Mike Schaufele for Mr. Hubbell's family? S-C-H-A-U-F-E-L-E?

Answer. I think I know who you're referring to. Other than public press accounts, no, I do not.

Question. Did you have any knowledge of Mr. Hubbell writing a book?

Answer. No, other than again public press accounts, I do not.

Question. You had mentioned in regards to the Lippo Group that until you saw press accounts you didn't know about it. When you read the press accounts, did you have any discussions with Mr. Hubbell about the Lippo Group?

Answer. No, I did not.

Question. When is the last time you have had a conversation or contact with Mr. Hubbell?

Answer. I had a perchance encounter with him about a month when my son and I were eating in a restaurant here in Washington and he happened to be dining at the same restaurant. I shook hands with him.

Question. And prior to that?

Answer. I can't recall when is the last time I've seen Webb prior to that, Ms. Comstock. It has been, I think, a number of months, perhaps well over a year.

Question. And your discussion, did that encounter social greetings?

Answer. I shook hands and wished him well.

Question. Did you have any discussion with anyone at the White House about, once the public information came out about the Lippo Group, about will Hubbell work for Lippo group?

Answer. I don't recall that I did and I don't believe that I did.

Question. What was your understanding, if any, of what kind of money Mr. Hubbell was making in 1994?

Answer. I had no idea.

Question. Were you surprised to read the press accounts of him making upwards of half a million dollars?

Answer. I was surprised to learn of some of the employers, just simply because I didn't know about them. I don't know about the terms of the arrangements.

Question. Were you surprised to learn about the Lippo Group and a $100,999 payment?

Answer. I don't know that I really had any—any particular reaction to it. I just simply didn't focus on it.

Question. Did you have any curiosity about it or ask anybody about it?

Answer. I really did not give it very much thought. I just simply did not know about it, and so I was surprised to read about it simply because I didn't know about it. I just didn't give it any thought.

Question. You never had any discussions with anyone at the White House about, gee, what did Webb do for $100,000 with the Lippo Group?

Answer. No, I did not.

Question. Nothing like that?

Answer. No, nothing like that.

Question. When did you first learn that Mr. Hubbell was going to plead guilty to the charges relating or related to his law firm?

Answer. Either from public accounts, I believe in December of 1994, or shortly before the public accounts.

Question. Were you aware of him talking with the President and the First Lady at or around—I mean, his plea was on December 6, 1994. Were you aware of him talking with the President or First Lady at or around Thanksgiving of 1994 about this situation?

Answer. No, I was not.

Question. Have you ever had any discussions with the President or the First Lady about Mr. Hubbell's plea?

Answer. No, I can't recall that I have.

Question. Following the plea, any reaction from the President or the First Lady that you recall?

Answer. I don't recall their making any statements in my presence or having any discussion with them about the plea.

Question. At all?

Answer. I don't recall any.

Question. Did you have any discussions with Mr. Hubbell at or around the time of his guilty plea?

Answer. No, I don't believe that I did.

Question. Do you recall—you said you had had one or two contacts with him in the months following his resignation. Do you recall that? Just do you recall, just generally, one or two contacts between say March and December of '94?

Answer. Yes. That's as I recall it limited contacts, isolated contacts I think was your worlds, one or two. I don't know the exact number.

Question. And then if you can place in time after the guilty plea, do you recall any contacts with Mr. Hubbell?

Answer. I don't believe I talked with Mr. Hubbell after the guilty plea, Ms. Comstock. It is possible that I did, but I don't believe that I did.

Question. This is a March 9th, 1995, calendar entry. Again, I believe this is your handwriting; is that correct?

Answer. Yes, it is.

Question. Okay. And could you tell us what that says, the entry there?

Answer. It says "Calls, get it done, Nussbaum, Webb, Middleton."

Question. And can you recall generally in March of '95 what calls to Nussbaum or Webb or Middleton would be about?

Answer. No, I cannot. This is a reminder to call these people or to make an attempt to. I don't recall calling Mr. Hubbell during this period, Ms. Comstock. I may have, but I don't believe that I did.

Question. Do you recall any discussion in the White House in an—it is actually going back to '94, about subpoenas that were going to Mr. Hubbell at or around May of 1994, the summer of '94, they were also simultaneous with subpoenas that were also going to the White House at that time from Mr. Fisk, then subsequently Mr. Starr, started in August of 1994?

Answer. I don't recall any discussion about subpoenas during this period regarding Mr. Hubbell. Certainly I could have had some discussions, but I don't recall any. And I don't believe that I did.

Question. And then returning to March of '95, do you recall just in the spring of '95 any matters related to Mr. Hubbell that you needed to make a call?

Answer. May I confer with my attorney for a minute?

[Witness confers with counsel.]

The WITNESS. Ms. Comstock, I can't say, sitting here today, with certainty what this jotted line of to do list means. I think the general premise here is calls. They are not related. I think they are individual calls that I need to make or want to make that day.

And I believe the notation is to remind me that I would like to call Webb to see how he is doing. I believe he is in prison at this time, if I'm not mistaken.

EXAMINATION BY MR. COMSTOCK:

Question. Actually, he didn't go to prison until August of '95.

Answer. Then I'm mistaken on the time frame. I don't believe that I called him. It is possible that I did but I don't believe that I did. I believe at some point I asked my attorney whether or not that would be appropriate and——

Mr. TAYLOR. Don't tell her what we discussed, but——

The WITNESS. I conferred with my attorney.

Ms. COMSTOCK. We'll extrapolate.

The WITNESS. It is possible that I called him but I don't believe that I did.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall, on or around the spring of '95, what you were calling Mr. Nussbaum about?

Answer. I think to see how he is doing in private life.

Question. And then Mr. Middleton, also?

Answer. I don't recall what I was calling Mr. or Mark, calling Mark about.

Ms. COMSTOCK. I'll make that Deposition Exhibit No. 7.

[McLarty Deposition Exhibit No. TM–7 was marked for identification.]

The WITNESS. It looks like it is a composite of former colleagues and I'm just trying to touch base, to continue a relationship.

EXAMINATION BY MS. COMSTOCK:

Question. Going back a little in time, this is April of '94, a calendar entry.

Mr. TAYLOR. What was the last exhibit?

EXAMINATION BY MS. COMSTOCK:

Question. This is EOP 52252 and it is an April 26 entry. Again, that is your handwriting?

Answer. It is.

Question. And can you read what that says?

Answer. It says "Burton memo on Webb, HR, for HRC and POTUS," or President.

Question. And then that's crossed out?

Answer. Yes, it is.

Question. And can you tell us what that means generally when—is that if you cross it out, or if you recall the practice?

Answer. Yes, I can give you a description of what I think my system means. Normally this sidebar means that I have intended to do it but probably haven't fully gotten it done, and when I get it done I usually put a check mark, and then a cross-out means I probably carried it over to the next day, just kind of finished one day and carried over to the next even though they are not done.

Question. And can you tell us if there was a Burton memo on Webb Hubbell to the President and the First Lady?

Answer. To the best of my knowledge, there is not.

Question. Do you recall any discussion, how this came about that you were thinking about—or if you were thinking about having a Burton memo on Webb Hubbell to the President and First Lady?

Answer. I believe to the best of my memory, sitting here today, that I had thought about dropping a brief memo to the President and/or the First Lady to let them know that I had been supportive of Webb and the transition, while difficult, was not going to be just completely an impossible one. I thought they would be comforted by that. As it turned out, I don't think we ever prepared a memo. I think at some point in time I may have mentioned something to the President and/or the First Lady about it.

Question. And what do you recall mentioning to them?

Answer. I think that I related that I had had an encouraging conversation with Truman Arnold and that he was considering using Webb in some manner in some of his companies.

Question. And what was the President's response?

Answer. I don't recall, Ms. Comstock, sitting here today, that conversation or relating it to him. I believe it is likely that I did. But I simply just can't tell you what his action or reaction was because I don't recall the actual conversation.

Question. Do you recall any discussions with the First Lady about——

Answer. No, I do not.

Question. Then was this memo going to be about Mr. Hubbell's employment or what he was going to be doing?

Answer. I don't remember——

Mr. TAYLOR. That's the question.

The WITNESS. I don't know.

EXAMINATION BY MS. COMSTOCK:

Question. Well, if you were going to be doing a memo, was there ever any attempt to find out, other than Mr. Arnold, who else was helping Mr. Hubbell?

Answer. As I already testified, I don't know whether Mr. Arnold had related he might be contacting others or not. He could have. I don't remember his doing so.

Question. Well, you indicated you had wanted to let the President know that Mr. Hubbell was able to support himself or was going to be okay. Was that the gist of what you were trying to relay to the President?

Answer. I think to the President or First Lady, that I had not abandoned friend and former colleague.

Question. And in that regard, you didn't—in that regard you didn't reach out to find out who else may be helping him. You were just relating what you did?

Answer. That's right. That's right.

Question. Were you aware of others informing the President or the First Lady about assistance that had been provided to Mr. Hubbell?

Answer. I don't know whether others informed the President or First Lady or not.

Question. Were these conversations you normally had with the President about colleagues who had left, and from time to time did you tell him, here is what Mr. Nussbaum is doing or here is what Mr. Watkins is doing, when he left?

Answer. Oh, I think from time to time you had some conversations of that type. I don't—I don't know that it wasn't—you had mutual friends that could come up in discussions, I guess, or conversations, is the best way to respond to your question.

Question. Do you recall if there were any similar concerns, say about Mr. David Watkins, who left in May of '94, how he was going to be supporting himself, what he was going to be doing?

Answer. I really did not compare Mr. Hubbell's situation with Mr. Watkins. I think it had more frankly the perspective of the loss of Mr. Foster as a partner to the Rose Law Firm and mutual friend, a close friend of the President's. So I really had that perspective in Mr. Hubbell's resignation.

Question. And Mr. Watkins, hasn't he been a long time friend of the President also?

Answer. He had been a friend of the President, as I understood it. I don't believe he was a close personal friend, as Mr. Hubbell and Mr. Foster were.

Question. So there wasn't a concern that you ever relayed, here's how Mr. Watkins is taking care of himself now, or here's where he is working, to the President?

Answer. I was supportive of Mr. Watkins in his finding employment after he left the White House. I had had known him virtually all of my life, and I believe I related that to the President. But again I didn't equate the two here.

Ms. COMSTOCK. We'll make this notation of the Burton memo Deposition Exhibit No. 8.

[McLarty Deposition Exhibit No. TM–8 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. On the Burton memo, do you know if you ever talked to Mr. Burton about doing such a memo or ever began the process?

Answer. I may have. I don't recall whether I did or not.

Question. Do you have any knowledge if he ever began any attempt to find out what kind of work Mr. Hubbell had gotten?

Answer. No, I don't know whether he did or not. I don't recall his ever discussing that with me or my ever discussing it with him.

Question. So you never saw any drafts of any type of memo or anything like that?

Answer. No, I did not.

Question. This is another calendar entry of June 20th, 1995.

And, again, this is your handwriting; is that correct?

Answer. It is.

Question. And does that say Webb meeting?

Answer. It does, Ms. Comstock, but I believe it does not refer to Webb Hubbell. It is a weekly economic briefing which is known in the White House as the web. It is a weekly report prepared by the Council of Economic Advisors that I attend from time to time.

Question. Okay, very good. Thank you.

Did you ever have any contact with Mr. Hubbell prior to his going to prison, any you recall in particular. There were some parties before he went to prison. Do you recall being involved in anything like that, dinners or parties?

Mr. TAYLOR. This would be in the summer of '95?

EXAMINATION BY MS. COMSTOCK:

Question. Summer of '95. It was early August of '95.

Answer. Ms. Comstock, I don't recall our attending any parties or events of that type. It is possible that we did. It is possible that I saw Mr. Hubbell, but I don't believe so, before he went to prison.

Question. And do you know Marsha Scott, who worked at the White House?

Answer. I do.

Question. Were you aware of her being in touch with Mr. Hubbell on any kind of regular basis?

Answer. No, I was not.

Question. Were you aware she was in touch with Mr. Hubbell in general?

Answer. I'll not sure I would characterize it "in touch." I knew Ms. Scott was a friend of Mr. Hubbell's and was concerned about him.

Question. And what makes you say that?

Answer. She had conveyed those concerns to me shortly after his resignation, as I remember.

Question. I'm showing you a March 29th phone message to you from Marsha Scott which says "Need to talk or meet for few minutes re Webb," with two Bs.

Do you recall, at or around the time of Mr. Hubbell's resignation, that's when you recall talking with Ms. Scott?

Answer. I have a vague recollection, that I believe this phone call refers to, of talking with Ms. Scott.

Question. And did she talk to you about who he was going to be working with or anything like that?

Answer. No, I don't recall that that was the nature of the visit at all.

Question. And the nature of the visit then is just——

Answer. As I remember it, she expressed concern about Webb and his family and expressed the view that we should continue—that he should not be abandoned by his friends, that that was important, she felt, for us to continue as individuals to display our friendship to him and his family.

Question. Did she ever over the months and years talk to you about Mr. Hubbell's work or anything he was doing?

Answer. I don't recall Ms. Scott ever raising anything with me about Mr. Hubbell's work or really anything else about Mr. Hubbell. I don't recall anything of that nature.

Question. Were you ever aware of her relaying to anybody else at the White House or the President or the First Lady her visits with Mr. Hubbell?

Answer. No, I'm not.

Ms. COMSTOCK. I'll make that Deposition Exhibit No. 9.

[McLarty Deposition Exhibit No. 9 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. These are also notes. I believe some of the handwriting is your secretary's. Some appears to be yours. We don't have a date on them. If you can make any sense of these for us, the first page, 20241, "Webb Hubbell calling," would that be your secretary Patty McHugh's handwriting?

Answer. Yes, I believe it is.

Question. Then a second page, EOP 20242, those would be your notes; is that correct?

Answer. It appears to be my handwriting. But this is a barely legible copy, but it appears to be my handwriting.

Question. Okay. I don't know if you can make out any of that handwriting, because of the page being so dark, but if you can.

Answer. I think I remember what these notations refer to.

Question. Okay. Could you tell us, please?

Answer. I think they are notes that I had made that reflect a concern, I believe in 1994, although it is not dated, about citizens in Arkansas or people in Arkansas feeling somewhat disenfranchised, and that perhaps we need to consider a stronger, more effective, outreach operation in Arkansas, given that it is the President's home State and many friends of long standing and supporters, and given the environment, which was increasingly a hostile one, to make sure that our position was conveyed. I believe that's what these notes refer to.

Question. And the next page, 20244, it is your secretary's handwriting, says, "Harold is here," and then your handwriting on——

Answer. I don't, Ms. Comstock, believe these are related. I just simply don't know without—was this on the back of this, or do you know?

Question. I believe so. This is just how we got it from the White House. We haven't had much explanation on it.

Answer. All I can tell you, not to get into minutia here, to save time, sometimes my secretary walks in with a note and says someone is here, if I'm on the phone or something of this nature. That's what this would refer to, is probably Mr. Ickes is here to see you, how long are you going to be? I don't know whether this note relates to this at all, and I don't have any memory or reason to believe it does. I believe it says "Janet Reno, community position, Webb," and I just, sitting here today, don't have any idea what that means.

Ms. COMSTOCK. Okay. This will be Deposition Exhibit No. 10.

[McLarty Deposition Exhibit No. TM–10 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Has the President ever expressed any concern to you, to the present day, about Mr. Hubbell being untruthful with him or the First Lady?

Answer. I have a vague recollection at some point in time the President made a comment that Webb's being untruthful surprised us all, something of that nature. I can't place a date but I have a vague recollection of the President making a comment of that type to me.

Question. And can you place that in time?

Answer. No.

Question. Recently or——

Answer. I think it is some period back but not recently, no.

Question. Can you place it in the context of were you talking privately with the President or——

Answer. I really only had recollection—you're asking me the question. I want to be responsive to you, and that's all I remember.

Question. And do you have any recollection of any discussion with the First Lady about Mr. Hubbell's being——

Answer. No I don't believe I've ever discussed Mr. Hubbell and his situation with the First Lady other than what we've discussed today on the March 13th meeting. I don't recall any other discussion.

Question. Were you aware of Mr. Hubbell going to Camp David in the summer of '94 to talk with the President?

Answer. No, I was not.

Question. So other than press accounts about that, you had no knowledge of that meeting occurring?

Answer. That's correct. I have no knowledge.

Question. Did you ever advise the President anything about meeting with Mr. Hubbell in that time frame after he left the Justice Department, on whether or not he should meet with him?

Answer. I don't believe the President and I have ever discussed that.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know if anyone in the White House ever made any recommendations one way or the other to him about meeting with Mr. Hubbell?

Answer. I don't know.

Question. I wanted to go into some matters related to Mark Middleton.

Could you tell us how long you have known Mr. Middleton?

Answer. I met Mr. Middleton several years ago when I believe he requested a meeting with me after he graduated from the University of Arkansas. I don't know what year that was. Probably in the late '80s, early '90s.

Question. Okay. And did you——

Answer. I met with him for about 15 minutes.

Question. And did you hire him or——

Answer. No. He had been president of the student body at the University of Arkansas, as I had been, and I did give him a courtesy meeting. He expressed interest in staying in the State, and I think expressed an interest, a possible interest, in working with Arkla. I told him I did not think we had any open positions, but I wished him well and was glad he was going to stay in the State.

Question. And were you familiar with him working on the campaign in 1992?

Answer. I believe I was aware of that.

Question. Were you aware of him doing fund-raising?

Answer. I don't know that I knew specifically what job he was doing. I was not part of the formal campaign and only went to campaign headquarters a couple of times during that period.

Question. Can you tell us how he came to be employed in your office, in the Chief of Staff's Office in 1993?

Answer. I had met—Mark, as I said, impressed me as a professional. When the President asked me to serve as Chief of Staff, and when it was announced, there was a plethora of phone calls and mail, and I immediately tried to assemble on very short notice some staff support. Mr. Middleton seemed like the type of energetic, capable young professional that could return 100 of the 300 calls I was receiving a day. So that's how he came to work initially informally in December, and I was impressed with his work. I think he asked to be on my staff, and I felt like I would be getting similar phone calls, and I wanted those matters to be treated courteously and thought Mr. Middleton would be capable of being an executive assistant, special assistant in that regard.

Question. So you hired Mr. Middleton for your office?

Answer. I did, I did.

Question. Do you recall if the President made any recommendations on hiring Mr. Middleton for your office?

Answer. I don't recall the President making any recommendations, and I think I told the President, and he had a favorable view of Mr. Middleton, but I don't recall he recommended I hire him.

Question. Okay. And was—could you just tell us what Mr. Middleton's duties were when he came on board?

Answer. Essentially they were as I described. I would say an executive assistant, special assistant, and most of that work, Ms. Comstock, I would say, I would describe at least as a liaison function of handling the many phone calls, correspondence, those types of things that one normally gets in a position like Chief of Staff.

Question. And was part of his outreach going to be with the Arkansas community?

Answer. Yes, it was.

Question. And would it be Arkansas business community also?

Answer. It would include Arkansas business community, but not be limited to it.

Ms. COMSTOCK. I'm showing the witness a document that's from Mark Middleton to you. It's EOP 52422, a memo to Mack McLarty from Mark Middleton regarding outreach efforts. It begins with, "Pursuant to our conversation earlier in the week, I have given considerable thought to how we could better service our supporters," and then it goes on to talk about events such as White House dinners and radio addresses are mentioned, Air Force One.

On the second page, "I don't think there should ever be an empty seat on board the aircraft. This is a major perk and should be provided selectively, but nonetheless fully utilized."

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall getting this memo?

Answer. I do.

Question. And is that your handwriting on the top of the memo?

Answer. Yes, it is.

Question. And could you tell us what that says generally on the top?

Answer. It has notations, "Phil" and "HI," which I believe refer to Phil Lader and Harold Ickes. "Joan," I believe, refers to Joan Baggett. "Bruce" refers to Bruce Lindsey. "Marcia," I don't know whether that refers to Marsha Scott or Marcia Hale. Both were working in the White House at this time. "Mark" probably refers to Mark Gearan, and "Alexis" would refer to Alexis Herman.

Question. And do you recall discussing this memo with Mr. Middleton?

Answer. I have a vague recollection of discussing it with him.

Question. And do you know when this document was done?

Answer. No, I do not.

Question. You mentioned you thought "Mark" was Mark Gearan. Would you have sent something to Mark Gearan during the time when he was in the—was he initially in the Deputy Chief of Staff's Office or Communications, I'm forgetting which?

Answer. You got it. Deputy Chief of Staff and then Communications.

Question. Would you have normally sent something to him when he was in the Deputy Chief of Staff's Office as opposed to Communications, or did it vary?

Answer. It varied. I could well have seen him in either or both.

Question. And then I guess Phil Lader. When was he in the position?

Answer. I believe Phil Lader was Deputy Chief of Staff at this time, and Mr. Gearan was in Communications.

Question. Okay. And so does that give you a sense of what that time frame would be?

Answer. Without really checking my records, I just simply can't tell you what time frame this would be. I don't recall when Mr. Lader joined the White House as Deputy Chief of Staff without reviewing my records. I just don't recall the date.

Mr. TAYLOR. Would it be fair to say that it's after Harold came and before Mark left?

The WITNESS. I think that's a good way to describe it.

EXAMINATION BY MS. COMSTOCK:

Question. Harold didn't join until January of 1994, so the memo would be sometime after January of 1994?

Mr. TAYLOR. And before February of '95.

The WITNESS. I think that does put a time frame on it.

EXAMINATION BY MS. COMSTOCK:

Question. So probably sometime in 1994, okay.

Do you recall generally the discussions with Mr. Middleton—I'm sorry, we have gotten a little way from the question, and you may have answered it some, but could you just discuss generally what you recall?

Answer. My testimony was I had a vague recollection of—I had seen the memo, and I had a vague recollection of discussing it with Mr. Middleton.

Question. And what was that discussion?

Answer. I am not sure, Ms. Comstock, sitting here today I can tell you much more than that, that I remember. It would be really reconstruction.

Question. Do you recall discussing with Mr. Middleton various perks or things at the White House that could be provided to major donors?

Answer. No, I cannot. My recollection is that we were mindful of not to lose touch with those that had supported us and wanted an organized, orderly effort to do that. That's what I remember the basis of this memorandum discussion. I just don't remember any more about the specifics of it.

Question. Mr. Middleton is specifically discussing in paragraph 2 final donors; is that correct?

Answer. Uh-huh.

Question. Do you recall discussing financial donors with Mr. Middleton?

Answer. Yes, I had some discussions from time to time with him about that, primarily in light of the DNC budget, which, as Chief of Staff, I had some responsibility for coordination in that regard, and I believe that's the context here.

Question. In particular he talks about sort of the level of donors, and I would suggest that we reach all the way back to the $20,000 contribution level.

Do you recall any level of donors that you were going to reach out to?

Answer. No, I don't recall any level of that specific nature.

Question. Then again, the next sentence says, I am presently attempting to identify DNC trustees who have fallen between the cracks, and there are several.

Do you recall discussing with him identifying DNC trustees?

Mr. TAYLOR. Who have fallen between the cracks?

EXAMINATION BY MS. COMSTOCK:

Question. Or just generally discussing DNC trustees.

Answer. No, I have a recollection of receiving this memorandum, and I have a recollection of a discuss with Mark, but I just don't remember the specifics of it, Ms. Comstock.

Question. Do you recall if you asked him to do anything else after this memo?

Answer. No, I do not know whether I asked him to do anything as a follow-up or not.

Question. And do you know if—in the beginning he says, "Pursuant to our conversation earlier in the week." Do you know if others were present during that conversation?

Answer. No, I do not know whether it was just a conversation between Mr. Middleton and me or whether there were others in the conversation that this memorandum refers to. I just don't know.

Question. And do you know, is the situation at the top—do you know why you would send it to these various people, or—is it your testimony that you did send it to the people who are identified on the top?

Answer. The notations—no, that's not my testimony.

Question. Okay. I'm sorry.

Answer. The notations could suggest that, but they could also suggest that I either planned a visit with these individuals or get their views as well. So the notations could mean either, and it's hard sitting here today to know whether it was sent or whether they are notes to myself to visit with these individuals.

Mr. BALLEN. Do you have an independent recollection, sir, of what they meant?

The WITNESS. No, I do not.

EXAMINATION BY MS. COMSTOCK:

Question. On the number 2 where it says, "Desk"?

Answer. That's to bring back to my desk, to have it on my desk.

Question. Is that usually how you would say—you know, you would say, I want a copy for my desk?

Answer. Uh-huh.

Question. I'm just trying to understand notations. Would 1 be a copy to Phil, and 2 be a copy to "my desk"?

Answer. The desk would mean to bring it back to my desk, and 1 could mean a copy to Phil.

Question. Because you are not going to talk to your desk, right?

Answer. No, I would not. No, it means to bring it back to my desk.

Question. And the P 2 weeks, is that your notations for pending 2 weeks?

Answer. I believe it is.

Question. And then the "Marsha" and "Mark" and "Alexis," you don't know if that was people you wanted to talk to about it or sent the memo to; is that correct?

Answer. That's my testimony.

Question. And do you recall then generally, aside from the notations, talking with any of these individuals about generally the topics addressed in the memo?

Answer. No, I do not recall that.

Question. Okay. Not at all?

Answer. No, I do not.

Question. And then at the top where it says "political file," is that Patty McHugh's handwriting?

Answer. It is.

Question. And what does that notation mean?

Answer. I think it suggests to file this in a political file.

Question. So in other words an actual file in your office that was called the political file?

Answer. I don't know how Ms. McHugh had my files organized. I depended on her for that.

Question. Were you aware of any lists that Mr. Middleton put together as a result, or, in general, are you aware of lists of supporters he put together?

Answer. I don't recall seeing any lists, Ms. Comstock, that Mr. Middleton put together.

Question. Were you aware of him compiling or getting them together?

Answer. No, I don't recall that he did.

Question. Do you know of any of Mr. Middleton's suggestions being implemented at the White House?

Mr. BALLEN. As referred to in this memo?

Ms. COMSTOCK. Yes.

The WITNESS. Ms. Comstock, I don't remember any follow-up on this memorandum, and I don't remember the suggestions being implemented.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. For instance, spots at the Saturday radio addresses, which I think are mentioned on page 52423. After No. 4 there, "Saturday radio addresses should also be utilized to take care of our political and financial supporters."

Were you ever aware of anything being implemented in that regard?

Answer. I don't remember any system being put in place to implement this suggestion.

Question. Okay. Then similarly, with Air Force One, do you have any knowledge of whether Air Force One had been—any action was taken on getting financial supporters onto Air Force One?

Answer. No, I don't. I don't recall that being followed up on either.

Question. The last page of the document, page 52424, Mr. Middleton asked you to authorize him to compile a comprehensive list of early and substantial contributors.

Would those be your circles and your marks on this document? Would that be accurate?

Answer. I believe they are.

Question. Do you know if you ever authorized him to do anything like that?

Answer. I don't recall that I did, Ms. Comstock. I don't recall any follow-up on this memorandum.

Question. Okay. And so do your circles or notations there give you any indication of any action you took? Does that refresh your recollection as to any action that was taken?

Answer. No, they do not. They don't signify or suggest that.

Ms. COMSTOCK. This is Deposition Exhibit No. 11.

[McLarty Deposition Exhibit No. TM–11 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This document is EOP 42878. It says, "Arkansas Finance Committee," and the notation on the side is, "Mark Middleton's list."

Have you ever seen this list?

Answer. I don't recall seeing this list, Ms. Comstock. It is possible that I have, but I don't recall seeing this list.

Question. Do you know what the Arkansas Finance Committee is?

Answer. No, I do not.

Question. On the last page of the previous exhibit, Mark Middleton had asked that a directive be issued to key White House officials about taking care of friends.

Do you recall generally if there was ever any attempt to compile a list of friends that would be let into the White House, Arkansas friends, anything like that?

Answer. I don't know whether this list that you're showing me, Ms. Comstock, relates to this.

Question. And I'm not representing it does. I'm just sort of providing that to see if that refreshes your recollection on anything that Mr. Middleton might have done in terms of lists.

Answer. The answer is no, it does not refresh my memory, or I don't know what this means or suggests.

Question. And were you aware of any kind of database that Mr. Middleton participated in?

Mr. BALLEN. Excuse me. Just so the answer is clear, when you are referring to "this," you are referring to Arkansas Finance Committee, you do not know what this list represents; is that correct?

The WITNESS. I mean, I cannot speculate.

Mr. BALLEN. No, please don't speculate.

Ms. COMSTOCK. We will make that list Deposition Exhibit No. 12, so that we are referring here to Deposition Exhibit No. 12, the Arkansas Finance Committee list.

[McLarty Deposition Exhibit No. TM–12 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. And do you have any knowledge of any database that Mr. Middleton provided documents to or lists to, I'm sorry?

Answer. No, I do not.

Question. Are you familiar with the White House database in general, what's been referred to as WhoDB?

Answer. I am familiar with discussions about the need to have an orderly record of certain individuals—I'm not sure I would classify that WhoDB as you did—for certain invitations to Christmas parties and so forth. I am generally aware of a feeling that we needed a database, an orderly system to contact certain individuals on an orderly basis.

Question. And did you have an understanding of what that was to be used for?

Answer. It was to be used for certain invitations, Christmas cards, Christmas parties, things of that nature, and I was generally aware of the need to have that.

Question. Were you aware of donor lists being incorporated into that system?

Answer. I'm not sure that I understood that donor lists would be incorporated into that general system, Ms. Comstock, at all.

Question. Do you have any knowledge of any DNC officials being allowed to utilize that system in any way?

Answer. No, I do not.

Mr. TAYLOR. Could we break for a second?

Ms. COMSTOCK. Okay, sure.

[Brief recess.]

Ms. COMSTOCK. I'm showing the witness a May 5, 1994 memo to Ann Cahill from Martha Phipps.

EXAMINATION BY MS. COMSTOCK:

Question. Following up on previous—Mr. Middleton's memo on ideas on how the White House could be utilized, this memo sets out 19 different items, and the beginning of it says, "In order to reach our very aggressive goal of 40 million this year, it would be very helpful if we could coordinate the following activities between the White House and the Democratic National Committee."

Directing your attention to item No. 14, it says, "One lunch with Mack McLarty per month, contact Mark Middleton."

Do you know if anything like that was ever coordinated with the DNC between your office and the DNC?

Answer. I don't know.

Question. Have you ever seen this memo before?

Answer. I don't recall that I have. It's possible I have, but I don't recall that I've seen this.

Mr. BALLEN. This is not an memo directed to you, was it?

The WITNESS. No, it was not.

Ms. COMSTOCK. For the record, it is to Ms. Cahill from Martha Phipps, who is a DNC employee. I believe Ann Cahill was in, I think, Mr. Ickes' office or the social offices over there. I forget at this time.

EXAMINATION BY MS. COMSTOCK:

Question. You have no knowledge then of any general efforts to have a DNC donor lunch that you would have with somebody once a week or a group of people once a month—I'm sorry, month?

Answer. No, I don't recall anything of that nature.

Ms. COMSTOCK. Okay. I'll make that Deposition Exhibit Number 13.

[McLarty Deposition Exhibit No. TM–13 was marked for identification.].

EXAMINATION BY MS. COMSTOCK:

Question. This is a memo to Mack McLarty from Skip Rutherford on September 8th, 1994.

Can you tell us what capacity Mr. Rutherford was serving in at this time in 1994?
Answer. Mr. Rutherford was and is in the private sector in Arkansas.
Question. And was he also a paid DNC employee at this time or contractor or consultant?
Answer. I believe he did have a contract with DNC as an advisor, I believe that's correct.
Question. Did you ever talk with anybody about setting that contract up at the DNC?
Answer. I may have.
Question. Do you recall him being paid approximately $90,000 a year at the DNC?
Answer. I don't recall the terms. That may be correct.
Question. Do you recall discussing who you would have discussed it with at the DNC, setting up a contract for Mr. Rutherford?
Answer. I can't recall specifically discussing with anyone, Ms. Comstock, but it's possible that I did.
Question. And what was your understanding of what services he would be providing to the DNC?
Answer. I don't know that I had an understanding of the services he would be providing to the DNC.
Question. But was it your—did you have an interest in having Mr. Rutherford employed as a consultant by the DNC?
Answer. Yes, I did.
Question. And do you know others who were asking for that aside from you?
Answer. Mr. Rutherford is very highly regarded. I don't know whether there were others that asked for that. Part of his responsibilities were giving me informal advice, and I believe that came under the contract that you referred to.
Question. And was this memo some sort of that advice then?
Answer. I don't know.
Question. Just directing your attention to the first paragraph, the sentence that says, "The Arkansas Travelers should be reactivated at that time with particular emphasis on the early primary States."
Do you know what he is referring to as the "Arkansas Travelers"?
Answer. I believe there was a group in 1992 of Arkansans that traveled to various primary States and campaigned for the President, and they were called the Arkansas Travelers.
Question. Do you know who that group included?
Answer. I did not.
Question. Do you know if they were involved in fund-raising at all?
Mr. BALLEN. Excuse me, counsel. I'm going to object to this line of questioning. I've been waiting patiently to see the interaction between campaign finance and our investigation and Mr. Rutherford. I don't see it yet. Perhaps if you could provide it for the record.
Ms. COMSTOCK. Maybe we can wrap this up. The pending question was, do you know if this was involved in fund-raising at all, these individuals.
Mr. BALLEN. I'm sorry, but before Mr. McLarty answers it, so you are not going to provide me for the record with an explanation of how that line of questioning relating to Skip Rutherford that you have been on for the past 5 minutes relates to the mandate to this committee?
Ms. COMSTOCK. I want to find out if this has anything to do with fund-raising.
Mr. TAYLOR. Does it?
The WITNESS. This memorandum or the Arkansas Travelers?

EXAMINATION BY MS. COMSTOCK:

Question. If the Arkansas Travelers had anything to do with fund-raising?
Answer. I don't know. I don't know.
Ms. COMSTOCK. I'll make this Deposition Exhibit No. 14.
[McLarty Deposition Exhibit No. TM–14 was marked for identification.].

EXAMINATION BY MS. COMSTOCK:

Question. Is Mr. Rutherford also involved with the Clinton Library?
Answer. Yes, he is.
Question. And is he the contact person for the archives, archiving of Presidential records, if you know?
Answer. I don't know what his exact responsibilities are.
Question. When Mr. Middleton left the White House in February of '95, did you keep in touch with him?
Answer. I saw Mr. Middleton from time to time.

Question. And can you tell us what contact that was?

Answer. I think they were contacts you would expect with a former staff member. I saw him from time to time.

Question. Did you see him come to the White House frequently?

Answer. I saw him from time to time in the White House.

Question. Did he tell you what he wanted to do when he left the White House?

Answer. Yes, he did.

Question. And what was that?

Answer. He told me he was going to work with Steve Green, a businessman from Florida.

Question. And what type of business was that?

Answer. I'm not fully knowledgeable of Mr. Green's business endeavors. I know Mr. Green. He's quite successful, but I'm not knowledgeable of his business endeavors.

Question. Were you aware of Mr. Middleton being interested in Asian business?

Answer. Yes, I was aware he was interested in trade matters and the Asian/Pacific region. That was about the extent of it.

Question. Did Mr. Middleton ever bring Steve Green in to meet with you?

Answer. He may have. I think I had met Mr. Green earlier in time.

Question. Did Mr. Middleton ever have any business clients that he brought in to meet with you?

Answer. I really did not know or do not know who Mr. Middleton's clients are.

Question. Are you aware of him doing any business with the Riadys or the Lippo Group?

Answer. I'm not aware whether or not he has a business relationship with the Riadys or not.

Question. You seem to sort of hesitate. Do you have any knowledge of his business with——

Mr. BALLEN. Excuse me. I'm going to object so the record is clear. I didn't see the witness hesitate. If you want to ask a question, go ahead.

EXAMINATION BY MS. COMSTOCK:

Question. I was just wondering if you have any other knowledge of Mr. Middleton's business with any connection with the Riadys or Lippo?

Answer. No, I do not.

Question. Have you discussed that with anybody at the White House?

Answer. No, I don't believe that I have.

Question. Were you aware of Mr. Middleton doing any work in raising—I'm sorry.

Answer. No.

Question. Were you aware of Mr. Middleton doing any fund-raising for the Clinton Birthplace Foundation?

Answer. I may have been aware of Mr. Middleton was supportive of the Birthplace Foundation.

Question. Do you know how you learned of that?

Answer. I don't know whether he told me or someone else did. I simply may have been aware of it.

Question. Did Mr. Middleton ever introduce you to a Nina Wang?

Answer. No, I don't believe that he did.

Question. Do you have any knowledge of any particular people Mr. Middleton was fund-raising, soliciting funds from for the Birthplace Foundation?

Answer. No, I do not.

Question. Are you aware of any work that Mr. Middleton was doing with the Widjaja family, W-I-D-J-A-J-A?

Answer. May I see a copy of the spelling of the family you mentioned?

Question. Yes. This is a memo to Mr. McLarty from Janice Enright regarding the Widjaja.

Answer. Yes. I believe I knew Mr. Middleton was acquainted with this family. I don't think I knew or not whether they were clients of Mr. Middleton.

Question. Do you have any knowledge of them at all generally, who they were?

Answer. I understood them to be successful Indonesian businesspeople with a number of successful business holdings.

Question. Were you aware of Mr. Middleton attempting to get them in to see anybody at the White House?

Answer. Yes, I was.

Question. And who——

Answer. He asked me to attend a dinner, and I did a drop-by, and I believe I met at least some members of this family.

Question. And can you just describe that event?

Answer. It was a dinner that Mr. Middleton hosted, I believe, at the Hay-Adams. He asked me to drop by, which I did. I met them. It was a courtesy visit. I was generally supportive of the Pacific region and trading relationships there.

Question. How many people were at the dinner?

Answer. I really don't know.

Question. Was it your sense that it was only that family, or was it a large group?

Answer. I think there were other people there than just the family members. I stayed for about 10 or 15 minutes. I did not stay for dinner.

Question. Was it one table of people or two or under 100?

Answer. People were standing when I arrived. It seemed to be about 20, 25 people, as I remember, but I could be off on that.

Question. And what was your understanding of what he was doing, what his purpose was in having you meet with them?

Answer. As I remember it, I believe the chairman of the company was receiving an international award the next day that was going to be presented in Washington, and he had asked me to stop by and meet this family. Mr. Middleton had worked with me on the APEC conference in Seattle, so it was consistent with those efforts, and I told him I would be glad to do so if my schedule permitted, which it did.

Question. Do you know if Don Fowler or anybody from the DNC was at the meeting—at the dinner?

Answer. I don't recall seeing Mr. Fowler there.

Question. Directing your attention to the second paragraph of this memo, it says, "Harold is not familiar with work that is being done in this regard." Actually, the initial paragraph talks about the Clinton Library, but it says, "I am told by Terry that you and Mark are working on this project at the direction of Mrs. Clinton."

Do you know what—can you make sense of that for us, what the project was, and what was being worked on, and how that connected with the Widjaja family, if at all?

Answer. I don't know that it is connected with the Widjaja family. I believe this is in reference to the Clinton Library, and Mr. Middleton had done some research work for me on how other Presidential libraries were established during his tenure in the White House.

Question. Where it says—do you know who Terry is? It says, "According to the Terry," in the first paragraph, "Mark has been talking to them about the Clinton Library."

Answer. I believe that refers to Terry McAuliffe, but I'm not sure.

Question. And do you know why Mark Middleton was talking to Terry McAuliffe about this?

Answer. No, I do not.

Question. And do you know why these folks are being talked to about the Clinton Library?

Answer. I don't know that they were talked to about the Clinton library.

Question. The memo says, "According to Terry, Mark has been talking to them," but you don't know about that?

Mr. TAYLOR. I object. Are you asking him about what somebody else wrote?

Ms. COMSTOCK. Right.

EXAMINATION BY MS. COMSTOCK:

Question. No, I'm just asking you what you know about what is in this memo that was to you, if you had any knowledge about that.

Mr. TAYLOR. I think he has answered your question.

Ms. COMSTOCK. Okay.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know what you did in response to this memo?

Answer. I took this memo, the emphasis of it at least, was to provide Ms. Enright with information about this family and their business endeavors. I believe that's what she requested, and I believe I did that to the best of my knowledge.

Question. And what did you do?

Answer. I believe I wrote her a note back, or I dictated a note, saying it was my understanding that this family was involved in business endeavors in Indonesia and was well regarded, but that I could not vouch for them. That was my understanding. That's what had been told to me.

Ms. COMSTOCK. Let me get that memo.

The WITNESS. That's what——

Mr. BALLEN. Did you finish your answer, sir?

The WITNESS. That's what had been told to me.

EXAMINATION BY MS. COMSTOCK:

Question. I do have that memo, so I wanted to provide that to you.
Answer. This is consistent with my testimony.
Mr. TAYLOR. That is consistent with your testimony.

EXAMINATION BY MS. COMSTOCK:

Question. And this is another—a November 2nd, 1995 memo for Janice Enright from Patty McHugh, who is your assistant; is that correct?
Answer. That's correct.
Question. And the subject is, your memo to Mack, re: the three family members that were mentioned in the previous memo, which I'll go ahead and make Deposition Exhibit Number 15.
Why don't I clarify. On that document also, that is your handwriting on the top where it says—is that, cleared by Counsel's Office?
Mr. BALLEN. I'm afraid the record is going to be unclear. If we can indicate when he is talking about this, which memo.
Ms. COMSTOCK. I'm going to make the first November 2nd, 1995 memo Deposition Exhibit Number 15, and that's the memo to Mack McLarty from Janice Enright. That's 052345, and that's the memo asking about any information on these people.
[McLarty Deposition Exhibit No. TM–15 was marked for identification.]
Ms. COMSTOCK. The second memo, 20333, which we will make Deposition Exhibit Number 16; a memo for Janice Enright from Mr. McLarty's assistant, Patty McHugh.
[McLarty Deposition Exhibit No. TM–16 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. The pending question was if that was your handwriting at the top of Deposition Exhibit Number 15?
Answer. I believe the circled part is my handwriting.
Question. Does that say, "Cleared by Counsel's Office"?
Answer. That's what it appears to say.
Question. And then that's your secretary's handwriting then to the right on the edge of the page there that says, Ron Brown's office—it says something; Connie scheduling; also met; and then in there is also, 1st Lady?
Answer. Uh-huh.
Question. 1st Lady; is that your handwriting, or is that somebody else's?
Answer. I can't tell. I can't tell.
Question. Were you aware of the Widjajas' meeting with the First Lady in this time frame also?
Answer. I don't believe I was aware of that. I may have been, but I don't believe I was aware of that.
Question. Do you have any knowledge of any attempts to get the First Lady to meet with this family?
Answer. I don't recall any requests being made to me, no.
Question. Do you recall Mark Middleton ever telling you anything to the effect that these people were important to the administration?
Answer. As I recall it, Mr. Middleton said they were successful businesspeople. I don't recall his saying about the importance of the administration, other than outreach to the Pacific/Asia for international commerce.
Question. Did you have any understanding whether they were U.S. citizens?
Answer. I don't know whether they were U.S. citizens or not.
Question. Other than the dinner that you stopped by at, do you know of any other visits or activities that you have knowledge of with the Widjajas?
Answer. I believe the next day I by chance encountered Mr. Widjaja, whom I had not met, who I believe was receiving the award. He was with Mr. Middleton and I believe some of the other members of the family that I had met the night before, and I believe I recall Mr. Middleton saying, this gentleman is receiving this award tonight, or at some point in time, and I shook his hand and congratulated him. It was a perchance meeting. I did not know he was going to be there.
Question. You had mentioned the dinner, and I just wanted to show you 52308 through 309 indicates, depart en route to Mark Middleton's dinner; location, the Hay-Adams Hotel.
Mr. BALLEN. Could I have a copy of that as well?
Ms. COMSTOCK. Yes.
Mr. BALLEN. Thank you.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall, was the dinner before—do you recall when in time the dinner was in relation to when you received memos about the Widjajas?

Answer. No, I do not.

Question. In this time frame, was there any other Middleton dinner aside from this one, the one you previously described?

Answer. I don't recall that there was.

Question. So in the fall of '95 generally, you are only aware of one dinner that you—a Mark Middleton dinner at the Hay-Adams that you stopped by?

Answer. I believe that's the case, Ms. Comstock, but there may have been another occasion. I just simply don't remember sitting here today. That's the only one I recall.

Question. Do you know if on other occasions you had—when Mr. Middleton had any Asian businessmen that he was associated with where you were at dinners?

Mr. BALLEN. Excuse me. I didn't hear the end of the question. If there were any other dinners that he may have had with Mr. Middleton with other Asian businesspeople or people who had business in Asia, not necessarily that they were Asian?

The WITNESS. No, I understand.

Answer. I don't recall any other dinners, Ms. Comstock, that I saw business people either from Asia or doing business in Asia that attended. There possibly could have been one, but I don't remember it and I don't believe there was one.

Question. And then, again, returning to Deposition Number 15, do you recall they end up getting their pictures taken, if you know? Fifteen and 16, you indicated you thought was in your memo that Mack feels it would be all right for them to have a photo taken with them this evening. And that's deposition Exhibit 16.

Do you have any knowledge of that happening or not?

Answer. I don't know whether it did or not.

Question. Do you recall whether in the course of this you had any conversations with anyone at NSC or any foreign affairs people at the White House?

Answer. I don't recall that I had any conversations with the NSC.

Question. Deposition Exhibit Number 16 had indicated that the Commerce Department's counsel had cleared these folks.

Do you recall having any discussions with anyone at the Commerce Department about that or the information in here was relayed to you by Mark Middleton?

Answer. I don't recall any——

Ms. COMSTOCK. Sorry, I asked two questions.

Mr. TAYLOR. You sure did.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall if you discussed these folks with anybody at the Commerce Department, the Widjajas?

Answer. No, I don't believe I had any discussion with the Commerce Department about this matter.

Question. And then to the extent that the memo reflects that Mark Middleton has advised they've been cleared by the counsel's office and the Commerce Department, did Mr. Middleton then tell your office that and you accepted his account of that and it wasn't checked at the Commerce Department? Would that be a fair assessment?

Answer. No, I don't know.

Mr. TAYLOR. Your foundation is missing here because there's absolutely no evidence that Mr. McLarty talked to Mr. Middleton about Mr. Middleton's representations about the Commerce Department. It is——

Ms. COMSTOCK. Well, why don't we go into that, then.

EXAMINATION BY MS. COMSTOCK:

Question. Did you ask your assistant to check on this, or did you personally check on it?

Mr. TAYLOR. If you know.

The WITNESS. I don't think I personally checked on it, and I don't remember asking my assistant to do it. It is possible I did, but I don't think I did.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall talking to Mark Middleton about these people at all?

Mr. TAYLOR. Other than what you've already testified to.

The WITNESS. No, I don't think I had any further discussions with Mr. Middleton other than what I've already related to you.

EXAMINATION BY MS. COMSTOCK:

Question. Then, in the memo where it says, "Mack indicated that although he cannot attest to the absolute integrity of the above individuals, he can affirm that they are legitimate business people," do you know any basis of that being your view that you can affirm they were legitimate business people?

Answer. They had been presented to me that way.

Question. By Mr. Middleton?

Answer. By Mr. Middleton. And I believe I further felt that was affirmed with the award that they were receiving, I believe, the next day that seemed to be a highly prestigious award. I've forgotten who was Chairman, but a well-known leading American was the Chairman of the lunch, whenever they received the award.

Question. Your testimony is that you don't recall Mark Middleton telling you about the Commerce Department contact?

Answer. No, I have no recollection of any discussion with Mr. Middleton about the Commerce Department.

Question. The letter also indicates that Mark also said that they met with the First Lady. Do you recall any discussion with Mark Middleton about these people meeting with the First Lady?

Answer. No, I do not.

Question. Or do you recall Patty McHugh telling you anything about these people had met with the First Lady?

Answer. I don't recall Patty relating that to me.

Question. So you have no knowledge about anything about the First Lady meeting with these people; is that correct?

Answer. I have no knowledge. It's possible Ms. McHugh said something to me and I just, sitting here today, don't remember her saying that.

Mr. BALLEN. You have no recollection.

The WITNESS. That's right.

Ms. COMSTOCK. I'll make this calendar entry for October 31st the Mark Middleton dinner, make that Deposition Exhibit Number 17.

[McLarty Deposition Exhibit No. TM–17 was marked for identification.]

Ms. COMSTOCK. This is a November 3rd, '95 , calendar entry on this.

EXAMINATION BY MS. COMSTOCK:

Question. Again, is that your handwriting on there?

Answer. Yes, it is.

Question. And can you read what that says?

Answer. It says Mark Middleton, Charlie Trie, Indo Group.

Question. And do you recall what that entry means?

Answer. I recall the Mark Middleton entry at 3:00 denotes a meeting that I was going to have with Mark Middleton on November 3rd.

Question. Do you recall meeting with Charlie Trie?

Answer. Mr. Trie was not present at this meeting. I believe I've only met Mr. Trie on one occasion.

Question. And when was that?

Answer. I can't place it in time. I believe it was either in 1993 or 1994.

Question. And what was the context of the meeting?

Answer. I don't recall. I have a vague recollection it is some type of reception, shaking his hand.

Question. And what makes you recall that?

Answer. I just simply remember shaking his hand and his being introduced as Charlie Trie.

Question. Did you know he was a donor or trustee or anything like that?

Answer. No, I did not.

Question. Was this with a large group of people?

Answer. I have a vague recollection of a reception type setting where I was introduced to him and shook his hand, and that's the only time I believe I've ever spoken with Mr. Trie.

Question. So you did not know him from Arkansas?

Answer. No, I did not.

Question. Do you know what the Indo Group here indicates?

Answer. I'm not certain what it indicates. It is on or around the time with the Widjajas. It may refer to them, but I don't know for certain.

Question. So you do not recall Charlie Trie, though, being with the Widjajas at all?

Answer. No, I do not.

Question. And do you recall, aside from this dinner, did you meet with the Widjajas and see them at the White House at all?

Answer. I think I've already testified that I saw——

Question. Mr. Widjaja.

Answer. Mr. Widjaja the next day unexpectedly. Other than that, that's the only two times I ever met with any of the Widjaja family.

Ms. COMSTOCK. Make that Deposition Exhibit Number 18.

[McLarty Deposition Exhibit No. TM–18 was marked for identification.]

Ms. COMSTOCK. This is another schedule. It is EOP 52310, which is also for November 3rd, and it indicates a 3:00 meeting with Mark Middleton, location 1201 Connecticut Avenue.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall a meeting with Mark Middleton's office at 1201 Connecticut? That's not his office, is it? Do you recall what this meeting is?

Answer. I recall meeting Mr. Middleton at 3:00 on November 3rd. And this notation on my formal calendar is the same as the notation on my Daytimer. It is the same meeting.

Question. And this is a meeting that Charlie Trie was not at?

Answer. That is correct.

Question. And have you told us everything about this meeting that you recall, this November 3rd meeting with Mark Middleton, what that was about?

Answer. I don't think you've asked me about it.

Question. I'm sorry, we're getting confused. Why don't you tell us about this meeting?

Answer. The meeting, as I remember, it was what I would describe as a social and personal meeting. I had really not had an opportunity to see Mark for any length of time since he left the White House. And this seemed to be a convenient time and place for us to meet and have an opportunity for a visit, which we did.

Question. And what is 1201 Connecticut Avenue?

Answer. That's actually the offices of Zuckerman and Spaeder.

Question. And why were you meeting there?

Answer. I was already there in preparation for another meeting of this type; and, so, when I completed that preparation, I thought a social and personal visit might be an enjoyable change of pace, and it seemed to be a convenient time and place to meet outside the White House and just have a chance to catch up on what Mark was doing and for him to catch up on what I was doing. It was the first time I had seen him since he left for any length of time.

Question. So you were not talking to Mr. Middleton on any legal matters?

Answer. No, I was not. And no White House business, either.

Ms. COMSTOCK. I'll make that Deposition Exhibit Number 19.

[McLarty Deposition Exhibit No. TM–19 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Then I guess the Indo Group referenced there, when you put the two together and you have Mark Middleton and you met at Zuckerman and Spaeder and then the Indo Group, you don't know what the connection is there, why that was on the calendar at that time?

Answer. I don't think there is a connection.

Question. Do you know why that was there on your calendar, what that refers to?

Answer. Sitting here today, no, I do not know why I made that notation.

Question. You didn't talk to Mr. Middleton about Charlie Trie or anything Indo Group-type related?

Answer. I can't say, sitting here today, that those weren't notations for me to ask Mark about the Indo Group or make a comment, which I believe refers to Widjajas. And I just simply don't know what the notation about Mr. Trie means.

Question. I don't know where the Bates stamp number is on this. It is an April 13th, 1993, memo for Mr. McLarty from Tony Lake. The subject is request for Presidential photo opportunity with PRC Governor and delegation.

I believe you previously had testified something to the effect of, and maybe I'm mistaken, PRC delegation. But I'll give you a chance to review that. This is different from the Governor of Jakarta thing, which is what you had previously testified. I'm sorry.

Answer. No, that's all right.

Question. Do you recall receiving this memo?

Answer. Sitting here today, I do not recall receiving this memo.

Question. Do you recall the general subject matter coming up in 1993?

Answer. No, I do not.

Question. Do you recall the PRC Governor and delegation visiting the White House?

Answer. No, I do not.

Question. So you have no knowledge that you can inform us about this meeting or event or photo opportunity?

Answer. I just simply don't remember this memoranda, and I don't remember a visit by the PRC and I having any involvement in it. I just simply don't have any recollection of it sitting here today.

Question. Do you know who Kris Cicio is, who is mentioned in the last paragraph?

Answer. I believe Ms. Cicio was—I believe she is—was and is a secretary in the National Security Counsel's office.

Question. And do you know who Ken Wiedemann is?

Answer. I believe he was a staff person at the NSC.

Question. Do you have any knowledge of them meeting with this delegation?

Answer. No, I do not.

Ms. COMSTOCK. Let me mark that Deposition Exhibit Number 20.

[McLarty Deposition Exhibit No. TM–20 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I think your testimony, this is fairly clear, but this does mention in the memo the event was being promoted by Charlie Trie.

Do you recall, in general, any events where Charlie Trie was promoting or trying to get meetings with any Chinese delegations in general?

Answer. No, I do not.

Question. Okay.

The November 3rd, 1995, meeting that you had with Mr. Middleton, was that just between you and Mr. Middleton, there was nobody else there?

Answer. Yes, it was just the two of us.

Question. Do you have any knowledge about Mr. Middleton working with Charlie Trie?

Answer. I was aware they were acquainted. I don't have any knowledge of his working with Mr. Trie.

Question. How did you learn they were acquainted?

Answer. Mr. Middleton mentioned Mr. Trie to me on occasions.

Question. Can you tell us on what occasions what he said.

Answer. I don't recall a specific occasion. I was aware they knew each other.

Question. Did he mention traveling with him or going to any parties at the Watergate Hotel that he had?

Answer. No, nothing of that type.

I do have a vague recollection of one occasion when Mr. Middleton mentioned Mr. Trie as a possible prospective fund-raiser, and I acknowledged that comment. And that's about all I remember about any comments Mr. Middleton made about Mr. Trie to me.

Question. Do you know why he was telling you about him being a fund-raiser?

Answer. I believe it was in the context of a conversation we were having of that type, and I think I probably suggested Mr. Trie—I mean Mr. Middleton—I think I just said I would take that under advisement. I think it was in the context of a discussion.

Question. Do you recall if this was when Mr. Middleton was working at the White House?

Answer. Oh, I think it was, yes.

Question. And then after Mr. Middleton left the White House, do you recall him talking about dealings with Charlie Trie?

Answer. To the best of my memory and knowledge, I don't recall Mr. Middleton ever raising Charlie Trie with me after he left the White House.

Question. Were you aware of Charlie Trie making any large contributions to the DNC for the health care media fund?

Answer. No, I was not.

Question. In 1994?

Answer. No, I was not.

Question. Do you recall any discussions with Mark Middleton about Charlie Trie being a potential donor for health care matters at all?

Answer. No. I recall what I just testified, that on one occasion Mr. Middleton mentioned that Mr. Trie might be a potential contributor. And I don't recall anything else about the conversation or any follow-up about that.

Question. Did he say why he thought Mr. Trie would be a potential donor?

Answer. He did not, to the best of my recollection; and I don't believe that he did.

Question. And when he suggested that he would be a potential donor, a large donor, not a $25 donor?

Answer. I don't think I talked about specific dollar figures.

Question. Do you recall an impression of this—I mean, presumably, if you're going to go to somebody, you're going to get more than a $50 contribution. Was that your impression that he gave you?

Answer. My impression was a substantial giver.

Mr. TAYLOR. Hold on a second.

[Witness confers with counsel.]

The WITNESS. I think I had used "fund-raiser" as opposed to "giver" and I think I used "giver" in the second question. I think it was someone who could raise funds.

EXAMINATION BY MS. COMSTOCK:

Question. Your understanding is that Charlie Trie would be somebody who would go out and seek funds from others, as opposed to donor?

Answer. Sitting here today, it is hard to remember the specific conversation. But in response to your question, I do have a recollection Mr. Middleton mentioned Mr. Trie as someone, as I remember it, who could possibly raise—be a fund-raiser, an effective fund-raiser.

Question. Do you recall him also suggesting that he could be a substantial donor?

Answer. I don't recall that.

Question. Did Mr. Middleton give you any understanding of what source of funds Mr. Trie might tap into for fund-raising?

Answer. No, he did not.

Question. Or for donating himself?

Answer. No, he did not.

Question. Do you have an understanding of if Mr. Trie was a man of means or not?

Answer. I only remember one comment that I've testified to.

Question. Do you recall, did Mr. Middleton ever tell you about loaning Charlie Trie money himself?

Answer. No, he did not.

Question. What was Mr. Middleton's involvement in fund-raising while he was at the White House during the time frame when he was at the White House?

Answer. I'm not sure I understand your question.

Question. Well, you said you recall this conversation being while he was working with you at the White House. What was your understanding of what Mr. Middleton was doing in relation to fund-raising in that time frame, in the '93 through February '95 time frame?

Answer. I think the correct way to respond and an accurate way to respond to your question is, from time to time, I think I asked Mr. Middleton to interface with the DNC and pass along any suggestions to them that he had and work with the political office in that regard, but that was the extent of it.

Question. I'm showing the witness a December 15, 1995, memo to Mack McLarty from Mark Middleton regarding Asian Aerospace. Do you recall receiving this memo from Mr. Middleton?

Answer. Sitting here today, I don't recall receiving it.

Question. Did Mr. Middleton, after he left the White House, send you memos frequently making any recommendations or asking you for—or making any recommendations?

Answer. From time to time, he did.

Question. Did he ask you to meet with people or host events, things like that?

Answer. From time to time, he requested us to meet with certain people.

Question. And do you recall anything relating to the events here on the Asian Aerospace event in Singapore, Mr. Middleton asking you about anything related to the words in this memo?

Answer. I just don't recall this memoranda.

Question. Do you have any knowledge of Mark Middleton being involved in Asian Aerospace issues?

Answer. No, I do not.

Ms. COMSTOCK. I'll make that Deposition Exhibit Number 21.

[McLarty Deposition Exhibit No. TM–21 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a May 20th, 1996, note to Mark Middleton. It is EOP 20344. Is that your handwriting at the top?

Answer. It is.

Question. And is this a personal matter, or is this something relating to any client, if you could tell us just from your review of it, if you know?

Mr. BALLEN. I'm sorry, I didn't hear.

Ms. COMSTOCK. It says "personal" on the envelope here. I was wondering if this relates to any business matters or if this is an entirely personal communication with him.

The WITNESS. It does not relate to any business matters. It is a personal communication with Mr. Middleton about Mr. Hogan.

EXAMINATION BY MS. COMSTOCK:

Question. Mr. Hogan?

Answer. Right.

Question. And that is who?

Answer. Mr. Hogan is a business person in Arkansas whom I know, have known over the years as a friend. And I had seen him again by chance, I believe, in the White House, and he had asked me about possibly some opportunities for him to work in Washington. He had been president of the Associated Contractors Association in prior years. And I told him he might want to visit with someone like Mark Middleton to discuss his plans further. And I simply wanted to be courteous to Mr. Hogan and follow up, and that's what this note is about to Mr. Middleton.

Question. What is your understanding about what Mr. Middleton would be meeting with him on?

Answer. Simply to discuss with Mr. Hogan developing thoughts he had about whatever endeavors and plans he had for the future.

Question. Was this related to any Asian business?

Answer. None whatsoever, to the best of my knowledge.

Question. Were you aware of Mr. Hogan being involved in any fund-raising with Mr. Middleton?

Answer. No, I am not.

Mr. TAYLOR. Do you want to stop for a few minutes?

[Brief recess.]

EXAMINATION BY MS. COMSTOCK:

Question. I know we're pressed on time here, so I'm going to try to go through some remaining documents that we wanted to ask you about just so we can speed things up as much as we can here.

This is a daily phone log from Mark Middleton of April 14, 1994, EOP 44984, and it shows a phone call to Mr. Middleton from Joe Giroir, and then the message reads "4/21-22 in D.C., bringing Lippo, Entergy, North China Power Corp. Please call per Patty. He wants to meet with Mack."

Do you recall any meetings that you had at or around April, spring, 1994 with Joe Giroir regarding Lippo or Entergy?

Answer. No, I do not.

Question. Do you know if Mr. Middleton ever had any meetings with Mr. Giroir regarding Lippo, Entergy, or this North China Power Corporation?

Answer. I know that—I now know that, and I may have known that at that time.

Question. That Mr. Middleton met with him about these matters?

Answer. Uh-huh.

Question. And do you generally recall what your knowledge is about this Lippo, Entergy project?

Answer. I think I knew that Mr. Giroir had requested a meeting with me, that I was not going to be able to see him, and I think I asked my office for Mr. Middleton to see him.

Ms. Comstock, I am not at all sure that I knew what the subject matter of that meeting was, since I was not going to meet with him.

Question. Do you know if anyone ever discussed the possibility of Mr. Hubbell doing any work on this power plant?

Answer. No.

Ms. COMSTOCK. I make that Deposition Exhibit Number 22.

[McLarty Deposition Exhibit No. TM–22 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Do you have any general knowledge about the North China Power Plant project, a joint Lippo, Entergy project that I believe was signed in an August '94 trade mission that Secretary Brown did?

Answer. Uh-huh.

Question. Did you ever have any involvement or knowledge about that?

Answer. I had no involvement.

Question. Prior to that, I mean, were you aware that that was something Secretary Brown was going to do on that trade mission in the August September '94 time frame?

Answer. I believe I was aware Entergy had an interest in developing energy projects in the Asia Pacific region. I believe that this has been in the public press. I believe I had knowledge of that.

Question. But you were not involved in any meetings regarding any of that?

Answer. No. I spoke to the Trade Mission Group before they left for China, as I remember it. And there were 20 or so executives, and I spoke to them before they left.

Question. What did you speak with them about?

Answer. I, just from the White House, wished them well on the trip.

Question. Was this a meeting where they all were present?

Answer. It was at the Commerce Department.

Question. And you went over there and sort of wished them well on their trip?

Answer. Talked about the importance of international trade.

Question. Were you aware one of the purposes of this trip was to sign memorandums of understanding or to kind of get trade deals done?

Answer. I was aware that the purpose of the trip was to advocate the President's agenda in China, including business development, but also human rights, which I think Secretary Brown did very effectively.

Question. Okay. I show you EOP 029870.

Mr. TAYLOR. Did you mark that?

Ms. COMSTOCK. Yes, I believe we made the previous Document Deposition Exhibit Number 22.

Mr. BALLEN. Excuse me, please. Can I have a copy of that?

EXAMINATION BY MS. COMSTOCK:

Question. This is a letter to you from a Joe O'Brien. Can you tell us who Mr. O'Brien is?

Answer. Mr. O'Brien was a bank officer in Little Rock whom I met, and I believe he was an officer with the TCBY, the yogurt company, at a later point in time. And I believe he's an international business consultant.

Question. Could you just tell us this, describe the context of this letter, if you could.

Answer. I know Mr. O'Brien. He wrote me this letter that he had seen Dr. Ward, who is president of the University of Arkansas Medical Center, and had had dinner with Dr. Ward and the Lippo Group and our son—let's see, wait a minute, was invited by David Yeh to join them. And he is giving me a report that our son seems to being do well in his semester abroad at the Chinese University at Hong Kong.

Question. Do you know David Yeh?

Answer. I do not.

Question. Do you know how your son came to be invited by Mr. Yeh of The Lippo Group to join this dinner?

Answer. No. I didn't know they had this dinner until I saw this memoranda.

Question. Have you ever talked to your son about how he came to be invited for a Lippo Group dinner with these people?

Answer. I don't believe I've ever discussed this dinner with Mark.

Question. Do you know why Mr. O'Brien was reporting on these meetings with The Lippo Group people to you?

Answer. I think it is really a report on our son, Mark, and he has seen him. And as an acquaintance that I know and have known for some years, he's writing me a letter saying that our son appears to be doing quite fine, which I was pleased to hear.

Question. And Harry Ward?

Answer. Harry is president of the University of Arkansas Medical School. He's president of the University of Arkansas Medical School, or Medical System. I'm not sure the exact responsibility.

Question. Did you ever have any knowledge of Mr. Hubbell asking the Riadys to pay for tuition of any of his children?

Answer. No, I don't.

Question. Do you have any knowledge of the Riadys paying tuition or expenses for anybody's members?

Answer. No.

Ms. COMSTOCK. Make that Deposition Exhibit Number 23.

[McLarty Deposition Exhibit No. TM–23 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I believe you previously discussed this meeting with the Governor of Jakarta, right?

Answer. Uh-huh.

Question. I just wanted to——

Mr. BALLEN. Excuse me, Counsel.

EXAMINATION BY MS. COMSTOCK:

Question. I'm sorry April 23rd, 1993, letter to James Riady from you. Was this the time frame of the meeting that you previously had testified to?

Answer. I believe that it is.

Question. And do you recall how the meeting came about that Mr. Riady was included in that?

Mr. BALLEN. I'm sorry, I didn't hear the last part of your question.

EXAMINATION BY MS. COMSTOCK:

Question. If you could just tell us, generally, how the meeting came about, any involvement you may have had in bringing about the meeting.

Answer. I believe there was simply a scheduling request to my office for the Governor of Jakarta and his sister city relationship with Little Rock or State relationship with Arkansas to see me during his visit to the United States, which I agreed to do.

Question. Were you aware of John Huang ever making a request for that visit?

Answer. I don't know who made the request to my office, Ms. Comstock.

Question. Do you recall ever discussing with the President whether or not to go ahead with this meeting, any discussions you had with him?

Answer. To the best of my memory, I don't believe I discussed this meeting with the President.

Question. Do you recall if, I guess, Mr. Riady did meet with the President; is that correct, on this occasion?

Answer. This letter is about a meeting with me, Ms. Comstock.

Question. Right. On his visit to the White House where this meeting that you had with Mr. Riady was at the White House; is that correct?

Answer. With the Governor of Jakarta and Mr. Riady accompanying him, as I recall. It was in the White House.

Question. And you had a meeting. Who else was in that meeting that you had?

Answer. I can't recall who else was in the meeting.

Mr. BALLEN. Was this a substantive meeting to discuss Indonesian policy or foreign policy?

The WITNESS. No, it was not.

Mr. BALLEN. It was more like a meeting to greet?

The WITNESS. It was a courtesy, ceremonial visit meeting to greet. That's how I think I earlier described it in my testimony.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know if on this visit they also had their picture taken with the press?

Answer. I do not.

Ms. COMSTOCK. Make that Deposition Exhibit Number 24.

[McLarty Deposition Exhibit No. TM–24 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a November 15th, 1993, document which I think you previously testified to that you were at the Seattle APEC meeting in November of '93. And this document indicates a breakfast and it says "Matt McLarty" and I'm assuming that would be you with the misspelling of your name?

Answer. I believe that it is.

Question. Do you recall a breakfast that you did at the Seattle APEC conference, or do you recall if you were involved in such an event?

Answer. I recall a breakfast. I don't know whether this is the memoranda referring to that breakfast or not. I do recall a breakfast meeting there.

Question. And then directing your attention to where it says, I'll refer to it as Mack McLarty breakfast instead of Matt.

Answer. Thank you.

Question. But it indicates that John Huang was present there. Do you recall John Huang being there?

Answer. The breakfast that I recall in Seattle was a much larger breakfast than this. I recall seeing Mr. Huang in Seattle. I don't recall seeing him at this particular breakfast, although I may have.

Question. How long have you known John Huang?

Answer. I believe I met John Huang in 1992.

Question. Do you recall how you met him?

Answer. I believe I met him on the eve of the economic conference in Little Rock after Governor Clinton was elected.

Question. Do you know what he was doing there?

Answer. I believe Mr. Riady was invited as a participant in that meeting and Mr. Huang accompanied him. That was my impression.

Question. What was your understanding of what Mr. Huang did?

Answer. My impression was he was associated with Mr. Riady. I don't believe I knew anything more about his activities than that.

Question. Did you have any knowledge of Mr. Huang being a fund-raiser in 1992?

Answer. No, I did not.

Question. Did you have any knowledge of him being the substantial donor in 1992?

Answer. No, I do not and did not.

Question. Do you have any knowledge about any conduit payments that Mr. Huang made in 1992?

Answer. No, I do not.

Question. Do you have any knowledge at any time of any conduit political contributions that Mr. Huang was involved in at any time from '92 to the present?

Answer. No.

Question. This document also indicates that Nora and Gene Lum were at a breakfast. Again, does that refresh your recollection as to whether or not you had ever met Nora or Gene Lum?

Answer. No, it does not.

Question. So you don't ever recall meeting them?

Answer. No, I do not.

Question. And then do you recall Mr. Riady being at this conference in the APEC Seattle conference?

Answer. I recall seeing Mr. Riady at Seattle. I don't recall seeing him at the breakfast, although I may have.

Question. And do you know Maeley Tom?

Answer. No, I do not.

Question. Or Maria Haley?

Answer. I do know Maria Haley.

Question. Do you recall her being at the conference?

Answer. Yes, I have a recollection of her being at the APEC conference in Seattle.

Question. Do you know how people were invited to the conference, what the process was?

Answer. No, I do not.

Question. Were you involved in that process at all or offer any suggestions of names at any time in the course of planning for the conference?

Answer. I perhaps could have offered some names for consideration. I was not directly involved in the planning of the private sector part of the APEC conference. I was, in an overall sense, involved in the APEC planning with the meeting of the other Governors.

Question. Do you have any knowledge of who would have been involved in inviting these individuals listed here?

Answer. Normally the public liaison section in the White House would have a role in that, and generally the Commerce Department would.

Question. Okay. I'll mark DNC 17299——

Answer. There may have been other suggestions from other agencies, as well.

Ms. COMSTOCK. Okay. Thank you.—DNC 1729928 through 29 Deposition Exhibit Number 25.

[McLarty Deposition Exhibit No. TM–25 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I'm sorry, the previous document also mentioned March Fong Eu being president of the event. Do you know March Fong Eu?

Answer. No, I do not.

Question. Do you have any knowledge of March Fong Eu being a fund-raiser for DNC or Clinton/Gore at any time?

Answer. No.

Question. This is an undated memo, EOP 030679, to Mark McLarty and John Podesta from Bruce Lindsey. The handwriting on the top of that again, that would be Patty McHugh's; is that correct?

Answer. Yes, I believe that's right.

Question. And would that indicate—the "to" and "from" up there, would that indicate you would have forwarded this memo to Leon Panetta?

Answer. It does.

Question. And could you just generally, in reviewing this document, if you recall the context of this memo from Mr. Lindsey?

Answer. As I remember, there was a group of Arkansans who had been invited and/or had expressed an interest in attending the APEC conference in Indonesia, and I believe this memo relates to that.

Question. And that would be the conference in November of '94?

Answer. That's correct.

Question. The beginning of it says that John Tisdale and Doug Buford were people Mr. Lindsey had spoke with. Do you know what John Tisdale's and Doug Buford's involvement in this was?

Answer. No, I do not.

Question. Could you tell us who John Tisdale is?

Answer. John is a lawyer in Little Rock.

Question. Has he been the President's lawyer on some occasions on any matters?

Answer. He may have done some work for the President. I don't think he is the President's lawyer.

Question. You would have no knowledge of him doing any legal work for the Lums?

Answer. No.

Question. And Doug Buford, could you tell us who he is?

Answer. He's also a lawyer in Little Rock.

Question. Do you know some of the individuals who are listed here as the Arkansas delegation?

Answer. I do.

Question. And who are Alan and Jean Sugg?

Answer. Dr. Sugg is president of the University of Arkansas system, and Jean is his wife.

Question. And Wayne and Francis Cranford?

Answer. Mr. Cranford is the chairman of Cranford, Johnson Robertson Advertising Agency in Little Rock.

Question. And Mark and Libby Grobmyer?

Answer. Mr. Grobmyer is an attorney in Little Rock.

Question. Are you aware of some matters relating to a plutonium project that Mr. Grobmyer was meeting with people at the White House on at any time?

Answer. It is possible that came to my attention. I don't recall it sitting here today.

Question. Do you ever recall any complaints from the NSC about Mr. Grobmyer trying to push something identified generally as the plutonium project?

Answer. No, I do not.

Question. I'll return to that later. I need to go through this list.

Alice Walton of the Walton family?

Answer. Yes.

Question. And a representative of Systematics, do you know who that would have been?

Answer. I don't know who the representative was contemplated to be.

Question. And representative of Entergy?

Answer. I don't know who the representative was contemplated to be.

Question. Paul Berry?

Answer. Paul Berry was an officer with Union National Bank in Little Rock.

Question. Did he also do some fund-raising for Clinton/Gore or DNC?

Answer. I don't know.

Question. The memo goes on to say, "All, except Paul Berry, appear to have some legitimate reason for being there."

Do you know what Mr. Lindsey meant by that? Did you have any discussions with Mr. Lindsey about that?

Answer. I was asked to attend a couple meetings regarding the Arkansans possibly going to APEC where Mr. Lindsey, I believe, was president at least at one of the meetings. I don't know what he meant by that statement.

Question. How many meetings were there, the Arkansas delegation to APEC?

Answer. I believe I was asked to attend two.

Question. And could you tell us who was at those meetings?

Answer. I've already noted Mr. Lindsey. Ms. Hernreich, I believe, was present. Ms. Scott, I believe, was present. I believe Mr. Podesta may have attended one of the meetings. There may have been others. That's the best of my memory, sitting here today.

Question. What was discussed at these meetings?

Answer. Whether or not it was a good idea for this Arkansas delegation to attend the APEC conference in Indonesia.

Question. And what were the concerns expressed?

Answer. As I remember it, whether there would be any appearance concerns, appearance matters raised. I don't believe other States were going to have any representations there.

EXAMINATION BY MS. COMSTOCK:

Question. And how was this resolved?

Answer. I don't know. I don't recall how it was ultimately resolved.

Question. Do you recall different people having different positions on that?

Answer. Yes, I do.

Question. And could you tell us what those were?

Answer. As I recall, while I had some reservation about influencing people in the private sector, on balance it was not a good idea for a group of Arkansans to go. I believe Mr. Lindsey was of the same opinion, as was Mr. Podesta. I believe Ms. Scott was for their going, and I don't recall Ms. Hernreich taking a position.

Question. Do you recall any discussion about Mr. Hubbell being involved with this group also?

Answer. I believe he was on the list. I don't recall any discussion about him.

Question. Was there any particular concern relating to Mr. Hubbell being with the delegation at this time?

Answer. I didn't raise any concern, and I don't—Mr. Podesta, upon reflection, may have raised a concern about Mr. Hubbell going.

Question. And do you recall what he said?

Answer. I think it was more the appearance matter, which was in an overall sense as well.

Question. And what were his concerns?

Answer. I simply think that—what I remember was that this might raise an appearance issue that would be reported on by the press. That was basically one of the prime considerations.

Question. Now, in November of 1994, this was prior to Mr. Hubbell's guilty plea on December 6 of 1994, so I'm wondering what was the particular appearance problem that Mr. Podesta raised?

Answer. I don't recall any other discussion other than what I've just related to you, Ms. Comstock.

Question. Was there any type of concern that it would appear that the White House was trying to assist Mr. Hubbell in business activities?

Answer. I don't recall that being discussed at all.

Question. In the middle of the second paragraph here where it indicates Doug, who negotiated the revised list with James Riady, asked about his status.

Answer. Uh-huh.

Question. Do you recall James Riady being somebody who was putting together this list?

Answer. As I remember it, I believe these people had been invited perhaps by Mr. Riady, or at least some of them had been; that's my recollection.

Question. And was he going to be paying their way to go?

Answer. Ms. Comstock, I don't know. I was not going, and I really did not give a lot of focused attention to this matter, other than to express my views when asked.

Question. Was there some concern in the discussion that Mr. Riady was paying for all of these people to go?

Answer. I don't recall that Mr. Riady was going to pay the expenses. Perhaps that was mentioned. I just simply don't remember, sitting here today.

Question. Okay. And then it goes on in that same paragraph, it says, "He," meaning Doug Buford, "would clearly like to go, but will do whatever we want."

Do you recall them telling you about talking to Doug Buford about this?

Answer. No, I do not.

Question. Do you recall discussing this memo in particular with Mr. Lindsey?

Answer. I don't believe I ever had a discussion with just Mr. Lindsey by himself. I might have, but I don't believe that I did.

Question. Or actually just on these issues in general, not just the memo, the issues of the Arkansas delegation going to Jakarta?

Answer. Mr. Lindsey, I believe, was in at least one of the meetings where this matter was discussed.

Question. And do you know what Mr. Lindsey meant when he wrote, "He," meaning Doug Buford again, "believes his presence will help to," quote, "'control' the group"?

Answer. No, I don't know.

Question. Was there any concerns expressed in the discussions that the group was going to be out of control?

Answer. I don't recall any discussions of that type.

Question. Okay. So looking back on this, you don't know what kind of control issues Mr. Lindsey was concerned about or about what this group might do that was going to be a problem?

Answer. It's in quotation marks. I don't know what Mr. Lindsey meant by that.

Question. Are you aware of the President meeting with James Riady on this trip in November of 1994?

Answer. I may have been aware that Mr. Riady had requested the President meet with him on this trip.

Question. Okay. And directing your attention, the last paragraph does indicate that James Riady and his father would like to have the opportunity to visit briefly with President Clinton in the hotel during the visit. I'm wondering if you knew if that did, in fact, occur?

Answer. I don't know whether it did or not.

Question. And Mr. Lindsey concludes the memo by writing, quote, "James has been reasonable in culling the list, and I think we should try to schedule a 15-minute meeting for them."

Do you recall discussing that with Mr. Lindsey?

Answer. No, I do not. Again, Ms. Comstock, no, I do not remember that.

Question. In reading through the memo, I mean, it appears, particularly with this conclusion, "I think we should try to schedule a meeting," and then, "James has been reasonable in culling the list," Mr. Lindsey seemed to be proposing that this meetings do go forward.

Do you recall Mr. Lindsey proposing that these meetings do take—that they should take place?

Mr. TAYLOR. The meeting between the President and the Riadys?

Ms. COMSTOCK. Well, it also says, "James has been reasonable in culling the list." It seems to suggest that this list may have—Mr. Lindsey may have thought it was reasonable.

Mr. TAYLOR. With all due respect, that's argument and not question.

EXAMINATION BY MS. COMSTOCK:

Question. No, but I'm just asking you in reviewing that if that helps you refresh your recollection on Mr. Lindsey's position on whether or not any of these meetings should go forward, whether the delegation should go, whether the President should meet with the Riadys.

Mr. BALLEN. Well, there are two separate questions.

Mr. TAYLOR. Three, by my count.

Mr. BALLEN. I think he has testified as to most of them.

The WITNESS. Ms. Comstock, I stand by my testimony. My best memory is that Mr. Lindsey suggested that the Arkansas group should not go. I don't recall any discussion with Mr. Lindsey about whether or not the President should meet with Mr. Riady and his father. I just simply don't recall that. That's two of the three. I don't remember what the third was.

Ms. COMSTOCK. I think that will do.

I'll make that Deposition Exhibit Number 26.

[McLarty Deposition Exhibit No. TM–26 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall if you discussed this trip at all with Leon Panetta?

Answer. I don't remember raising it with Mr. Panetta. I may have, but I don't remember raising it with him.

Question. Do you recall generally what his position was or learning of his position on this trip?

Answer. No, I do not.

Question. And it says "Marsha" on the bottom. Just to make clear, that's your handwriting on the bottom of the document?

Answer. It is.

Question. And does that read "Leon" first?

Answer. It does.

Question. And then what are the other names there?

Answer. John Angel, who worked on Mr. Panetta's staff; "Marsha," I believe refers to Marsha Scott; and "SR" is Skip Rutherford.

Question. Okay. And do you know if you discussed this with Skip Rutherford?

Answer. I don't recall discussing it with Skip, but I may have.

Question. Do you recall his position on the delegation whether they should go or not?

Answer. No, I do not.

Question. Do you recall if anybody had approached him to sort of lobby him on them being allowed to be involved, the Arkansas delegation?

Answer. I don't know.

Question. This is an August 2nd, 1996 letter to Mr. Riady from you.

Previously you had said that you thought you saw Mr. Riady at an APEC business meeting. Was this the time frame or the context of that APEC business meeting? Directing your attention to the second paragraph, it's mentioned.

Answer. It appears to be, but I just don't remember the specific date or the time frame of the APEC business meeting.

Question. Your letter says, to Mr. Riady, it says, "You have keen insights in the business matters, both in your region and from a global standpoint, and thus your comments were particularly meaningful to me."

Do you recall what he discussed with you?

Answer. Yes, I do.

Question. Okay. Could you tell us about that?

Answer. As I remember, I had a brief exchange with Mr. Riady and John Huang after the President spoke at Mr. Bryant's reception here in Washington. The—and I believe Mr. Riady, as I remember it, complimented me on my presentation, and I am thanking him for his kind words.

Question. But in particular, had he made comments about Asian business matters that caused you to make the observation in the second sentence?

Answer. Well, my remarks were to the Asia/Pacific business group, and as I remember it, Ms. Comstock, his compliments or kind words were about that I had presented my views in the correct way, or in an understandable way. I don't recall what language he used.

Question. Do you have an understanding of Mr. Riady being involved in any fundraising in 1996?

Answer. I was aware he was supportive of the President and may have been aware he was supportive—I don't recall knowing that or certainly not knowing the extent of his participation, but I knew he was generally supportive of the President, and that could well include financial support.

Question. You don't have any knowledge beyond that general impression?

Answer. I think that was my knowledge.

Question. Do you have an understanding of where Mr. Riady was living, whether he was living in Indonesia or the United States at this time in 1996?

Answer. No, I did not know.

Ms. COMSTOCK. I'll make this Deposition Exhibit Number 27.

[McLarty Deposition Exhibit No. TM–27 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a September 6, 1996 memo to Mack McLarty from Mark Middleton, marked CC-H-000157. It's regarding a Monday meeting and the date is September 6th, 1996.

Do you recall receiving this memo from Mr. Middleton?

Answer. Yes, I do.

Question. Could you tell us what this is about?

Answer. As I remember, Mr. Middleton called me and related that Mr. Riady and the President had had a visit at some earlier meeting that I was not in attendance, and they did not complete their conversation, according to Mr. Middleton, and that

the President had asked Mr. Riady to arrange an appointment with him to finish their conversation. And Mr. Middleton is asking me to follow up on the President's request, making me aware of the President's request.

Question. Do you know how Mark Middleton knew of the President's request?

Answer. No, I do not.

Question. So it was Mark Middleton that informed you of the President's request, not the President?

Answer. That's correct.

Question. Did the President ever mention anything to you about this previous meeting?

Answer. I don't believe that he did.

Question. And what was your understanding of what the conversation had been between Mr. Riady and the President?

Answer. Mr. Middleton said he did not know.

Question. And would the time frame have been fairly recent prior to this September 6, '96 date?

Answer. I believe that is correct.

Question. Did he say where the conversation had occurred?

Answer. I don't know that he named a place in our conversation. He may have, but I don't remember that.

Question. He mentioned Mr. Riady attended a dinner on July 30th, 1996 at a hotel close to the White House. Do you recall if it was in a dinner context, a small dinner or anything like that?

Answer. Ms. Comstock, I've already answered that question. I don't recall whether he mentioned where Mr. Riady and the President had visited. I just simply don't remember whether he mentioned that or not.

Question. So you don't know if it was at the White House or outside or anything that specific?

Answer. I do not know.

Question. So did Mr. Middleton call you somewhere contemporaneously with this September 6, 1996 memo?

Answer. I'm sorry. Repeat the question.

Question. Did Mr. Middleton call you sometime fairly close to the time of this memo?

Answer. I'm not certain when he called me, Ms. Comstock. I just simply don't know.

Question. And then did you, in fact, then get together with Mr. Riady?

Answer. No, I did not.

Question. And why didn't that occur?

Answer. The request, as I thought I conveyed to you, was for Mr. Riady and the President to meet and complete their conversation.

Question. Okay. I'm sorry. Did that meeting with the President occur?

Answer. It did.

Question. Okay. And did you set that up? I'm sorry to garble this record.

The request had been that you—the request as relayed by Mr. Middleton was asking you to set up a meeting with Mr. Riady so Mr. Riady and the President could complete the conversation of unknown topic; is that correct?

Answer. I believe that's correct. What I remember, and I think I have testified to, is Mr. Middleton called me, as I've already told you, and asked me to assist in arranging an appointment for Mr. Riady that the President had requested after, as I understood it, Mr. Riady and the President had seen each other at some earlier occasion. I believe I told Mr. Middleton that I would make Nancy Hernreich, the President's personal secretary, aware of this request, and I believe I advised Mr. Middleton to call Ms. Hernreich directly.

Question. So do you know then what happened with—did you call Ms. Hernreich, or you told Mr. Middleton to call her?

Answer. I told Mr. Middleton, Ms. Comstock, as I have just testified, that I would make Ms. Hernreich available—make Ms. Hernreich aware of Mr. Middleton's phone call to me and this request, and that Mr. Middleton should call Ms. Hernreich directly.

Question. Okay. And then did you make Ms. Hernreich aware?

Answer. I did.

Question. And what did you tell her?

Answer. I told her that Mr. Middleton may be calling her about an appointment for James Riady; that, as I understood it, the President had requested to see Mr. Riady to complete a conversation they had had at some earlier point in time.

Question. Did Ms. Hernreich comment on that to you at all?

Answer. I don't recall that she did.

Question. And then could you just walk us through whatever else you know about this meeting?

Answer. The meeting did take place, but I did not learn of it until sometime after it took place.

Question. Okay. And when was that that you learned that it took place?

Answer. I don't recall when I learned that it had taken place. It was sometime after the meeting.

Question. And how did you learn of that?

Answer. I don't recall with certainty how I learned of it.

Question. Can you tell us anything else about the meeting that you know about it?

Answer. I was not at the meeting, and I've told you all I know about it.

Question. Do you know anybody else who was at the meeting?

Answer. I'm not sure who was at the meeting, Ms. Comstock, so I don't think I should speculate on who was there.

Question. Do you know if the meeting occurred at the White House?

Answer. I believe it was my understanding that it did.

Question. Do you know how you received this memo from Mr. Middleton?

Answer. No, I do not.

Question. Did he have a practice of faxing things over to you?

Answer. I think on occasion he did fax things.

Question. And would you keep his requests, or how did you——

Answer. I would handle them in the normal course of business, my secretary.

Question. And do you know how those would be kept after you received them?

Answer. No, I do not.

Question. The meeting doesn't say who we are talking about here. It refers to the meeting participant. Do you know why there was any secrecy about who the meeting participant was in this case?

Mr. BALLEN. I'm going to object. You're assuming that there was any secrecy, and the witness hasn't testified that there was.

Mr. TAYLOR. And I'll sustain his objection.

EXAMINATION BY MS. COMSTOCK:

Question. I'm wondering why—you have indicated that the meeting participant was Mr. Riady; is that correct?

Answer. That's as I recall Mr. Middleton telling me in our telephone conversation.

Question. I was wondering if you know, you know, if when Mr. Middleton wrote memos to you about Mr. Riady, would he try and not put his name in the memo, or was there any concern about having Mr. Riady's name in a memo to you?

Answer. I'm not aware of any concern, and I don't know why Mr. Middleton worded a memorandum like this.

Question. When you got the memo, would you have known who he was talking about when he said, the meeting participant staying at the Four Seasons? Were you able to look at it and say, I know who that is?

Answer. I believe Mr. Middleton had already talked to me by telephone by the time I received this, so I think I would have known who he was referring to.

Question. Do you have any knowledge about any meeting that the President had with Mr. Riady in a limousine where he picked him up and was in a limousine talking with Mr. Riady in this time frame?

Answer. It could have been. I just don't remember the place and location where the President and Mr. Riady met, and I was not there, so I just don't remember that level of detail.

Question. And then to this date you have no knowledge about what the meeting the President had with Mr. Riady was about?

Answer. No, I do not.

Question. Mr. Middleton never learned of it and told you or anything like that?

Answer. I believe Mr. Middleton may have told me the meeting took place, but he did not talk about the subject matter, nor did I ask.

Ms. COMSTOCK. We will make that Deposition Exhibit Number 28.

[McLarty Deposition Exhibit No. TM–28 was marked for identification.]

Mr. BALLEN. I am going to note for the record at this point I believe we have agreed on an approximately 2 o'clock termination for this deposition, and it's been running about 5-1/2 hours approximately with some breaks for Majority questioning, and Minority has approximately 5 minutes of questions that we would like to ask. So this may be an appropriate time to do so.

Ms. COMSTOCK. We during the break had precluded a lot of the—all of the information about Mr. Tamraz, and I am fairly close to finishing up here, maybe about

15 minutes. Could we have a little leeway on that and just try and finish up that? If we get out of here—I know I can guarantee 2:30, but if we can go about 15, 20 minutes?

Mr. KANJORSKI. That's 35 minutes.

Mr. BALLEN. The Minority does have some questions.

Ms. COMSTOCK. Could I go about 15 minutes then and——

Mr. KANJORSKI. Could I suggest we get the Minority's 5 minutes in?

Ms. COMSTOCK. Okay. Why don't we do that.

Mr. KANJORSKI. If we could allow the time for the Minority.

Ms. COMSTOCK. Okay. Why don't we do that 5 minutes, and then if you could give me a few more, I would appreciate it.

EXAMINATION BY MR. BALLEN:

Question. Mr. McLarty, I would like to take this opportunity, and I know I'm joined by Representative Kanjorski, in thanking you for being here, for generously taking your time this morning and this afternoon. We have been going for close to 5-1/2 hours now. You have a distinguished record in the private sector and an even more distinguished record in public service over the last 4 years, and your time here has been generous. Your answers have been forthcoming.

What's often not reflected in the cold record is the effort one makes to recall details of conversations. You had very important positions in the administration, and I want the record—and I think everyone here in this deposition would note your dedication and effort in answering every question as fully and fairly as you possibly can.

I have a few questions to follow up and then some other questions.

Did the President or the First Lady, sir, ever ask you to provide any assistance to Webster Hubbell?

Answer. No, they did not.

Question. Let me return, if I may, to Exhibit 3, sir. If you could take my copy of it. Do you have it before you?

Answer. I do.

Question. I believe this was your testimony, and please correct me if I am mistaken, but isn't it the case, sir, that you don't recall whether the various notations on this page came from one person, more than one person, or simply reflect your own thinking?

Answer. That is my testimony.

Question. In 1994——

Ms. COMSTOCK. That you don't know which of those it is?

The WITNESS. That's right. I think I've suggested it could be any, all or none of the three.

EXAMINATION BY MR. BALLEN:

Question. In 1994, you had no personal knowledge, did you, that Mickey Kantor, in fact, attempted to get employment for Mr. Hubbell?

Answer. That is correct. To the best of my memory and knowledge, I did not know that.

Question. You never asked Mr. Kantor to find Mr. Hubbell employment, did you?

Answer. No, I did not.

Question. And I believe you testified that you never asked Mr. Rapport to help Mr. Hubbell; is that correct?

Answer. That is correct.

Question. And you have no specific recollection of Mr. Rapport ever telling you he was helping or planned to help Mr. Hubbell; is that correct?

Answer. That is correct.

Question. Sir, when you spoke to Truman Arnold about Mr. Hubbell, you were discussing employment possibilities for Mr. Hubbell, not possibilities of anyone making a charitable contribution; would that be a fair statement?

Answer. That is a fair statement.

Question. You were not suggesting to Mr. Arnold, were you, that he or anyone else give money to Mr. Hubbell with no expectation of providing any services in return for that money?

Answer. That is absolutely correct.

Question. In fact, I believe you testified that Mr. Arnold asked you for a resume or a bio from Mr. Hubbell so that he could determine whether Mr. Hubbell might—was qualified to provide any services to him or his companies?

Answer. That is correct. I testified about that earlier.

Question. Turning to the March 13th meeting at the White House that you testified to, was there any connection whatsoever between Mr. Hubbell's possible resignation and the Whitewater investigation, sir?

Answer. None whatsoever.

Question. And your help for Mr. Hubbell had nothing to do with Whitewater or anything that Mr. Hubbell might know about Whitewater; is that correct?

Answer. Absolutely, that is correct.

Question. Now, with respect to your March 1994 conversation with Marsha Scott which you testified to earlier, Marsha Scott never specifically suggested that you help Mr. Hubbell find job opportunities, did she?

Answer. I don't recall Ms. Scott and I ever talking about employment opportunities for Mr. Hubbell.

Mr. BALLEN. Excuse me for one moment.

EXAMINATION BY MR. BALLEN:

Question. I have a few questions that Mr. Condit, a Member of our committee, wanted to make sure we asked.

Have you been asked by any other official investigative body to testify or provide evidence on any of the matters being investigated by this committee?

Answer. Yes, I have.

Question. And who would that be, sir? Which bodies?

Answer. The——

Question. It might be a long list.

Answer. The Senate, the Justice Department, and the Special Counsel's Office, Special Prosecutor's Office.

Question. And have you provided documents or searched for documents in regard to those areas?

Answer. Yes, I have.

Question. Would it be fair to say that the request for information overlapped with the request from this committee?

Answer. That would be fair to say.

Question. And that documents, information and testimony provided to this committee have been previously provided other investigative bodies?

Answer. They have been.

Question. Do you have any requests in the future to provide evidence or testimony in regards to these matters?

Answer. I believe we have outstanding requests.

Question. Can you estimate, and I realize this is a difficult question, but can you estimate how much of your time has been diverted from your official duties in responding to requests for interviews, testimony, documents and information through various congressional and other investigative organizations?

Answer. I would like to say too much. A great deal.

Question. When you say a great deal, is this a matter of hours, days, weeks? Is there any way to estimate? I know it's hard to come up with a round number.

Answer. Many, many hours.

Question. Have you taken much time from your official duties to respond, sir?

Answer. I have.

Question. Have you incurred any expenses in this regard?

Answer. Substantial.

Question. Can you estimate the nature of the expenses?

Answer. May I confer with my attorney?

Mr. TAYLOR. I'm sorry. What's the question?

Mr. BALLEN. I'll repeat the question.

EXAMINATION BY MR. BALLEN:

Question. Can you estimate the nature of the expenses that you have incurred in regard to the various investigations?

Mr. TAYLOR. I appreciate the concern. I'm sure he does. I do not think that's a matter which he would like to put on public record. His legal fees have been an enormous burden, and I'm not talking about just tens of thousands of dollars.

Mr. BALLEN. I think that's fair.

EXAMINATION BY MR. BALLEN:

Question. Has this committee offered to reimburse you for your time and expenses incurred?

Answer. Not to my knowledge.

Question. Would you seek reimbursement from the committee on expenses?

Answer. I would ask my attorneys to evaluate any appropriate seeking of reimbursement.

Mr. BALLEN. Thank you, sir. Again, thank you very much for your time.

Mr. KANJORSKI. I would just ask, this is not as closely relevant. The point was made earlier by the examination of the Majority counsel the fact that Mr. Hubbell received somewhere around $500,000 in that hiatus period from leaving the Justice Department. Are you aware of the fact that he was named one of the best scholars in America for 4 years prior to being named second in command of the Justice Department, and that he had honorably served as Chief Justice of the highest court of Arkansas?

The WITNESS. I was aware that Mr. Hubbell had served on the Supreme Court and had a very fine reputation as a lawyer in Arkansas.

Mr. KANJORSKI. And you probably, from your exposure in Washington, D.C. in the last 4-1/2 years, would not find it unusual for a senior partner of a major law firm with this type of a background to receive his fees or remuneration far in excess of a half million dollars a year; that would not be unusual?

The WITNESS. That was my experience in the private sector, as well as here.

Mr. KANJORSKI. All right. Thank you.

Mr. BALLEN. May I just have one more moment?

[Pause in proceedings.]

Mr. BALLEN. Thank you very much, sir. I think I kept it within a short period of time of 5 to 10 minutes.

Ms. COMSTOCK. I just have a few more questions.

Mr. TAYLOR. Let me simply say that at 2:25 we are leaving.

Mr. KANJORSKI. Can I interject and say 2:15? We all have—some of our schedules are really—why don't you really close it up. We are going to have another period of examination.

Ms. COMSTOCK. I think we will be finished quickly.

Mr. TAYLOR. She will be finished with a capital F at 2:25.

Ms. COMSTOCK. But I will try to meet yours, Congressman.

EXAMINATION BY MS. COMSTOCK:

Question. I just wanted to show you some phone records which I believe you provided to the committee which reflect some phone calls to a Los Angeles number of 625-1888, which I believe is the LippoBank.

Can you tell us what those calls are regarding?

Answer. Yes.

Question. I'm sorry, the bill is for January of 1994, so the calls are—December of 1993, on 12-23, 12-27. I'll let you tell us what they are.

Answer. I believe I can tell you what they are.

Question. Okay. Could you do that?

Answer. I believe they have to do with our son, who is a junior at Georgetown, going to the Chinese university in Hong Kong, and after discussing that with my wife, I called John Huang, who was the only person I knew from Hong Kong, or seemed to be a logical person to call, and told him Mark was going to be spending a semester there and really asked for any advice or counsel he might have about safety matters, security matters, hospitals, things of that nature.

Question. And what did he tell you?

Answer. He was quite courteous and helpful, and said he thought our son would have a fine experience there. He was quite positive about his attending school in Hong Kong.

Question. And prior to this time, had you had many contacts with John Huang?

Answer. I had met Mr. Huang on two or three occasions prior to this.

Question. And if you could just briefly tell us what those occasions were. Were they events at the White House?

Mr. BALLEN. Well, he has already told you about the summit.

Ms. COMSTOCK. Yes.

The WITNESS. I recall meeting him in Little Rock at the economic conference, which I've already testified to, and I believe Mr. Huang accompanied the Governor of Jakarta, I think he was at that meeting as well, and I may have seen him on one or two other occasions during my time in Washington in 1993.

Question. And were you aware of him seeking a job in the administration at this time in December of 1993?

Answer. I don't remember that I was. It's possible, Ms. Comstock, that I was, but I don't—sitting here today I don't recall that I was.

Question. Were you ever involved in any discussions about the hiring of Mr. Huang?

Answer. No, I do not believe that I was.

Question. Do you know anything about how Mr. Huang came to be hired at the Commerce Department?

Answer. No, I don't believe I knew anything about that matter.

Question. And again, when Mr. Huang left his Commerce Department job and went to the DNC, do you have any knowledge about those discussions about Mr. Huang leaving and going to the DNC?

Answer. No, I do not.

Question. So this September 13th, 1995 meeting that's been reported on that the President was at and Mr. Giroir, Mr. Riady, Mr. Huang and Mr. Lindsey, you have no knowledge about the discussions in those meetings?

Answer. No, I do not.

Ms. COMSTOCK. I would like to make these phone records—I will not make these phone records part of the record, since it has your phone number in it. I will just say for the record these are phone records of Mr. McLarty that have been provided in a personal production, and the LippoBank number on here, which I'll put that in the record, is (213) 625-1888, and Mr. McLarty has indicated that that was a number that he called to reach Mr. John Huang. We will not make that an exhibit.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. If you can give us a brief narrative, there have been reports on meetings had with Mark Jimenez. Could you just briefly discuss with us how you came to meet with Mr. Jimenez?

Mr. BALLEN. If, in fact, you did.

The WITNESS. I did meet with Mr. Jimenez. I believe the first time I met him was in September of 1995. Mr. Middleton had requested a courtesy visit by Mr. Jimenez and had related to me that he had been a strong supporter with the Summit of the Americas, which the President had asked me to coordinate in 1994 in Miami, Florida, a meeting of the democratically-elected heads of state from this hemisphere. I may have met Mr. Jimenez during the summit; I don't recall that I did.

Mr. Middleton also said Mr. Jimenez was a successful businessperson with active interest in Latin America, which was increasingly my responsibility, and I had a regular practice of meeting with businesspeople both from the United States and from Latin America, Canada and the Caribbean as part of my responsibility in following up at the summit. So I had a courtesy visit, I believe, with him in September of 1995.

Question. Did you have any contact with the NSC at that time in meeting Mr. Jimenez?

Answer. No, I did not.

Question. And did there come a time when you met with Mr. Jimenez again?

Answer. There did.

Question. And would that be in February of 1996?

Answer. Ms. Comstock, I don't believe I met Mr. Jimenez in February of 1996. I believe the meeting was somewhat later.

Question. And what do you recall about that second meeting?

Answer. I recall that I had a request to meet with Mr. Jimenez and Dr. Mersan, who was known as the top economic advisor to President Wasmosy in Paraguay, not a formal member of the government, but a consultant to President Wasmosy, who was very much in favor of open markets, which was consistent with our policy and consistent with some of the Summit of the Americas agenda. I believe my schedule, however, precluded my meeting with Mr. Jimenez and Dr. Mersan in February, and I did not meet with them.

Question. So the February meetings that are reflected did not occur then?

Answer. I believe that's the case. I do not believe I ever met Dr. Mersan.

Question. Did there come a time then when you did meet with Mr. Jimenez?

Answer. Yes.

Question. And what occurred at that meeting?

Answer. I believe there was a follow-up request, since we did not have that scheduled meeting. I believe at that point I was aware that Mr. Jimenez had an active business interest throughout Latin America and had a particular interest in Paraguay, which had its first democracy literally in the history of the country, and we, of course—again, that was part of the Summit of the Americas agenda to confirm and support democracies.

Part of my responsibility in following up on the summit, I did agree to meet with Mr. Jimenez. I think it was suggested with some emphasis on Paraguay, which I thought was important, given it was a small country and many times did not get

much attention from our government, and I thought it was important that we do so.

We did meet. I don't recall the exact date of the meeting. As I remember it, Ms. Comstock, Mr. Jimenez did raise points about the fragility of the Paraguayan democracy, the newness of it. I believe he raised the certification issue; I believe we had decertified Paraguay of the certification process on March 1, and I believe his view was that was a negative from President Wasmosy's standpoint in trying to develop democratic institutions in Paraguay, and I believe then he mentioned or noted his concern about a possible instability in Paraguay.

At that point the conversation, in my mind, was different than I had anticipated with very serious issues, potential issues being raised, and I told Mr. Jimenez I appreciated his input, but I felt the proper people should be involved in any discussions of this type, and while I had involvement in the hemisphere, we were now getting into issues that were not my direct responsibility, and we appreciated his input, and we would try to arrange such meetings as necessary.

Question. Were you aware that Mr. Jimenez was a donor to the DNC?

Answer. Yes, I believe I was aware he was a supporter by this time.

Question. And had you been aware that he had been—the previous meeting when he tried to meet with you, he was there for a coffee event?

Answer. I don't think I knew he was there for a coffee event. I think I was aware he had requested a meeting, or Dr. Mersan had requested a meeting, with me, and Mr. Jimenez was going to be with him.

Question. Did you have any understanding that these were clients of Mark Middleton, or Mr. Middleton had an affiliation with them?

Answer. I knew Mr. Jimenez and Mr. Middleton knew each other and knew each other in a favorable way. I, frankly, did not know whether Mr. Jimenez and his company were clients of Mr. Middleton's or not.

Question. Do you know if Mr. Middleton attended this meeting that you had ultimately with Mr. Jimenez?

Answer. I don't believe Mr. Middleton was present at that meeting, Ms. Comstock. He may have been, but I do not believe that he was.

Question. This is two pages. This is regarding Mr. Grobmyer. We had just previously discussed a little bit about Mr. Grobmyer's——

Mr. BALLEN. Excuse me. Could we have a copy of this for Mr. Kanjorski as well?

Ms. COMSTOCK. Actually, you have my full copy. I don't even have a full copy myself, but you guys keep that one.

Mr. BALLEN. We'll get it when we get back.

Since we don't have any—since we do not get the exhibits in advance of the deposition, the Minority would like an opportunity to review them.

Ms. COMSTOCK. But these are all documents that you all have.

Mr. BALLEN. Well, they may be documents we have, I don't know——

Mr. TAYLOR. I thought we had distinguished them from another half a million papers.

Mr. BALLEN. That's right. That's the point I was going to make.

EXAMINATION BY MS. COMSTOCK:

Question. I was just wondering, we had just briefly discussed before Mr. Grobmyer's plutonium project he was working on. I was just wondering if this refreshes your recollection at all about any activities that Mr. Grobmyer was involved in in trying to meet with the NSC on?

Answer. No, I don't recall any requests by Mr. Grobmyer to meet with the NSC on this matter. I don't recall any requests on his part.

Question. Were you aware of anything having to do with a plutonium project that Mr. Grobmyer was working on in Arkansas trying to make casks or things that were going to be utilized in this project in Arkansas?

Answer. I don't remember it, Ms. Comstock, sitting here today. From time to time Mr. Grobmyer did send me information, and I normally would just try to facilitate it to the proper department for handling.

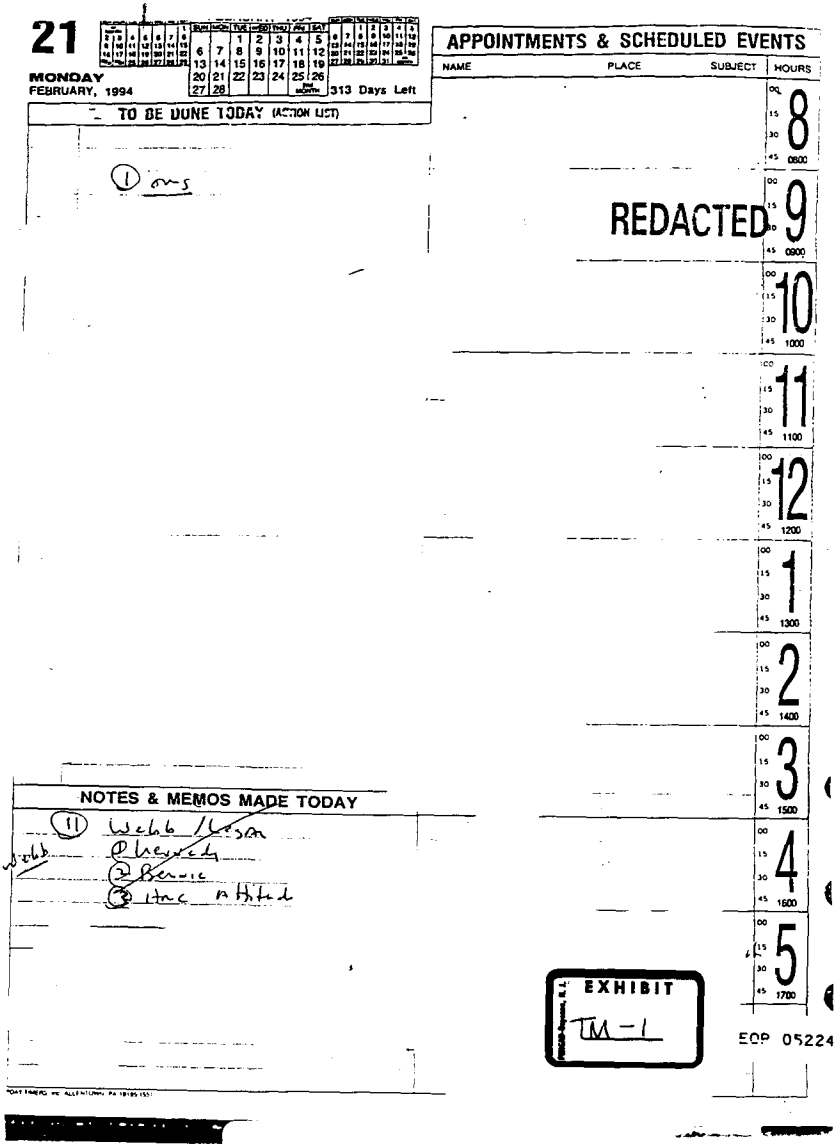
Mr. BALLEN. I would note for the record this has been asked and answered, and there is nothing in these e-mails that is to this witness, no indication that he received these.

Ms. COMSTOCK. No, I think that's clear from the record. Well, it's clear from the e-mail, and we will make that an exhibit. We will make this Exhibit Number 29.

[McLarty Deposition Exhibit No. TM–29 was marked for identification.]

Ms. COMSTOCK. Thank you very much, Mr. McLarty. I appreciate your time today.
Mr. TAYLOR. No further questions?
Mr. BALLEN. No further questions.
[Whereupon, at 2:20 p.m., the deposition concluded.]

[The exhibits referred to follow:]



21

MONDAY
FEBRUARY, 1994

313 Days Left

TO BE DONE TODAY (ACTION LIST)

(1) ons

APPOINTMENTS & SCHEDULED EVENTS

NAME	PLACE	SUBJECT	HOURS
			8 (0800)
		REDACTED	9 (0900)
			10 (1000)
			11 (1100)
			12 (1200)
			1 (1300)
			2 (1400)
			3 (1500)
			4 (1600)
			5 (1700)

NOTES & MEMOS MADE TODAY

(11) Webb / Lesan
Webb
(1) Beverly
(2) Bernie
(3) Anc Attitude

EXHIBIT
TM-1

EOP 05224

ROAY TIMERS, INC. ALLENTOWN, PA 18195 (55)

13

UNDAY
ARCH, 1994-

293 Days Left

TO BE DONE TODAY (ACTION LIST)

APPOINTMENTS & SCHEDULED EVENTS

NAME | HOURS

8 0800

9 0900

10 1000

11 1100

12 1200

1 1300

2 1400

3 1500

4 1600

5 1700

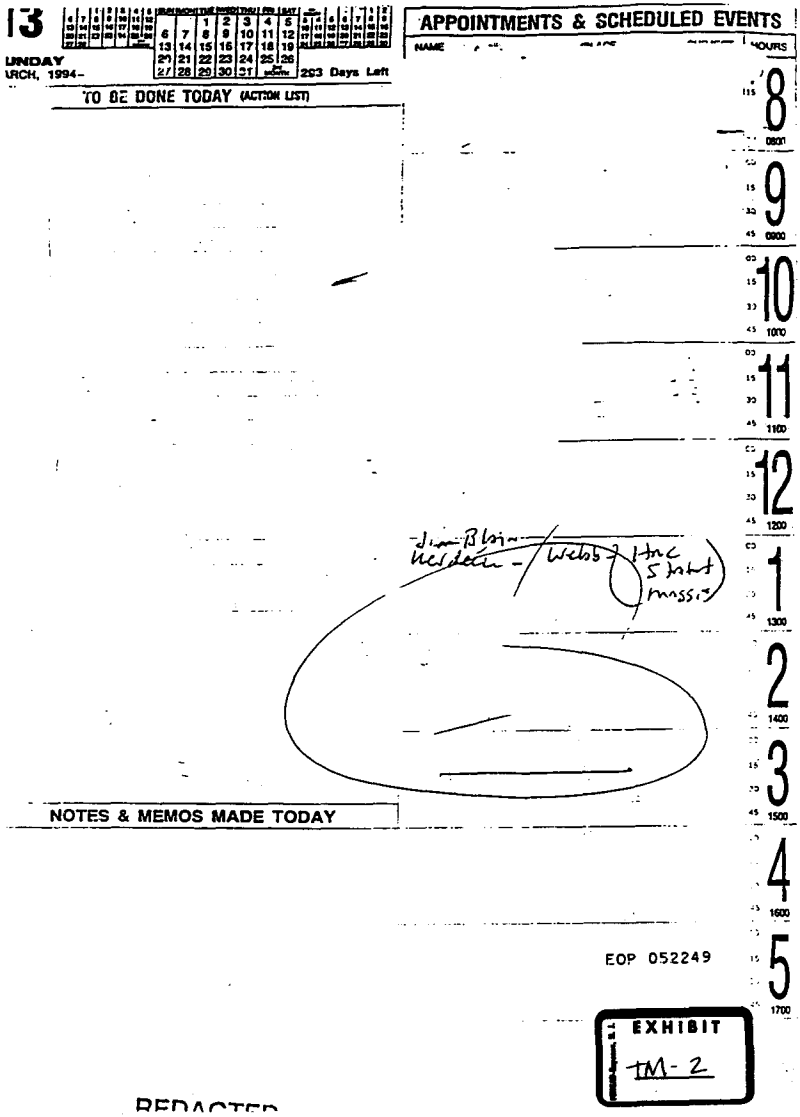
Jim Blair
Kerdeen - / Webb - Hnc
Statut
massis

NOTES & MEMOS MADE TODAY

EOP 052249

EXHIBIT
TM-2

REDACTED



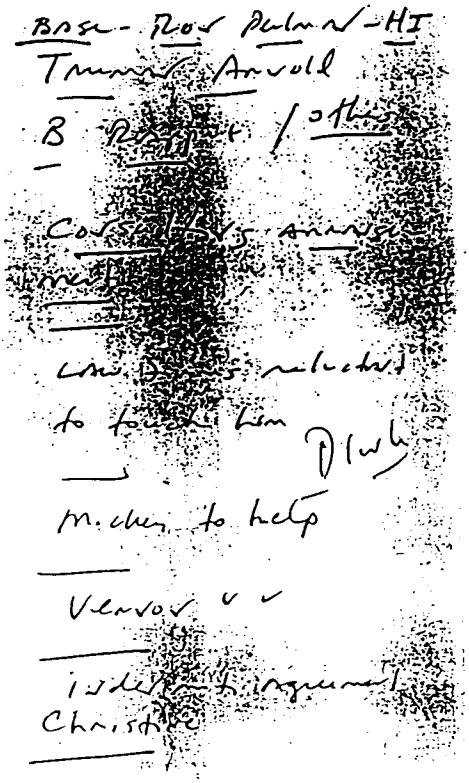
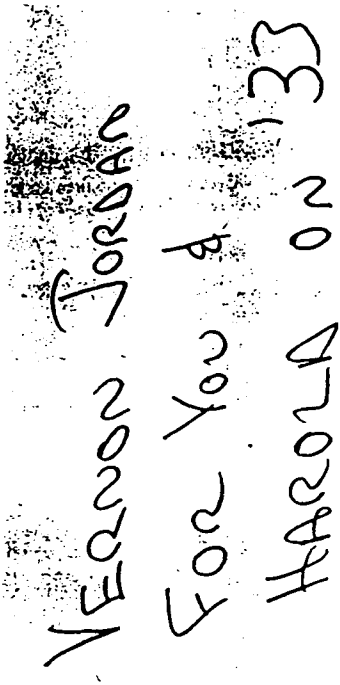
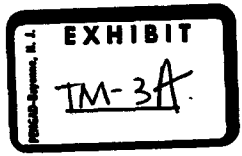


EXHIBIT
TM-3

EOP 020328

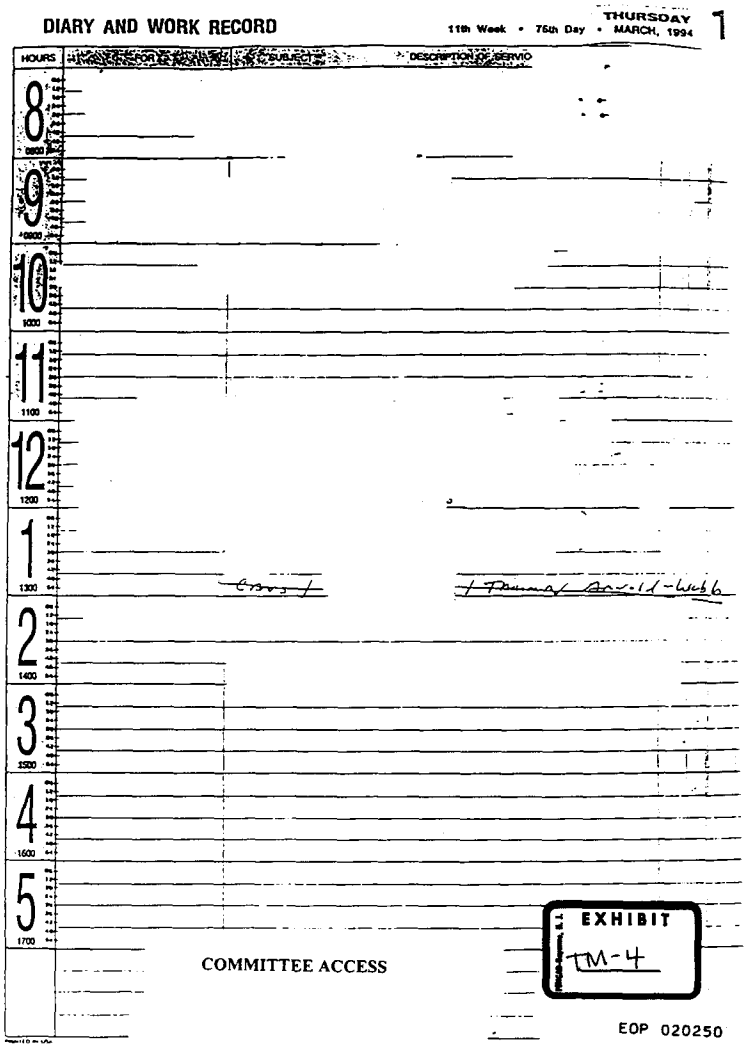
COMMITTEE ACCESS





EOP 020327

COMMITTEE ACCESS



Non-Responsive Materials Redacted

Bill Burton
(Mack also sent this to Truman Arnold.)

COPY from ORM

March 30, 1994 OA 2779

The Honorable Thomas F. McLarty
Chief of Staff to the President
The White House
Washington, D.C. 20500

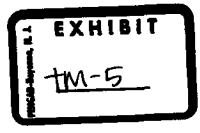
Dear Mack:

At your request, I am enclosing my bio. As we discussed on the phone, I will be leaving Justice on Friday, April 8. If I can provide any further information, please let me know.

Sincerely,

Webster L. Hubbell

Enclosure



COMMITTEE ACCESS

WEBSTER L. HUBBELL

Biographical Information

Webb Hubbell was appointed Associate Attorney General by President Clinton. Within the United States Department of Justice, he oversees the work of the Civil, Civil Rights, Anti-trust, Tax, and Environment and Natural Resources Divisions. He also has oversight responsibility for the Immigration and Naturalization Service, the Executive Office For Immigration Review, the Office of Legal Counsel, Office of Legislative Affairs, Office of Information and Privacy, the Community Relations Service, the Executive Office For United States Trustees, and the Foreign Claims Settlement Commission.

Honored as one of the Best Lawyers in America for the past four years, Mr. Hubbell was a managing partner in the Rose Law Firm of Little Rock which he joined in 1973. He interrupted his tenure at the Rose Law firm in 1984 to serve as Chief Justice of the Arkansas Supreme Court.

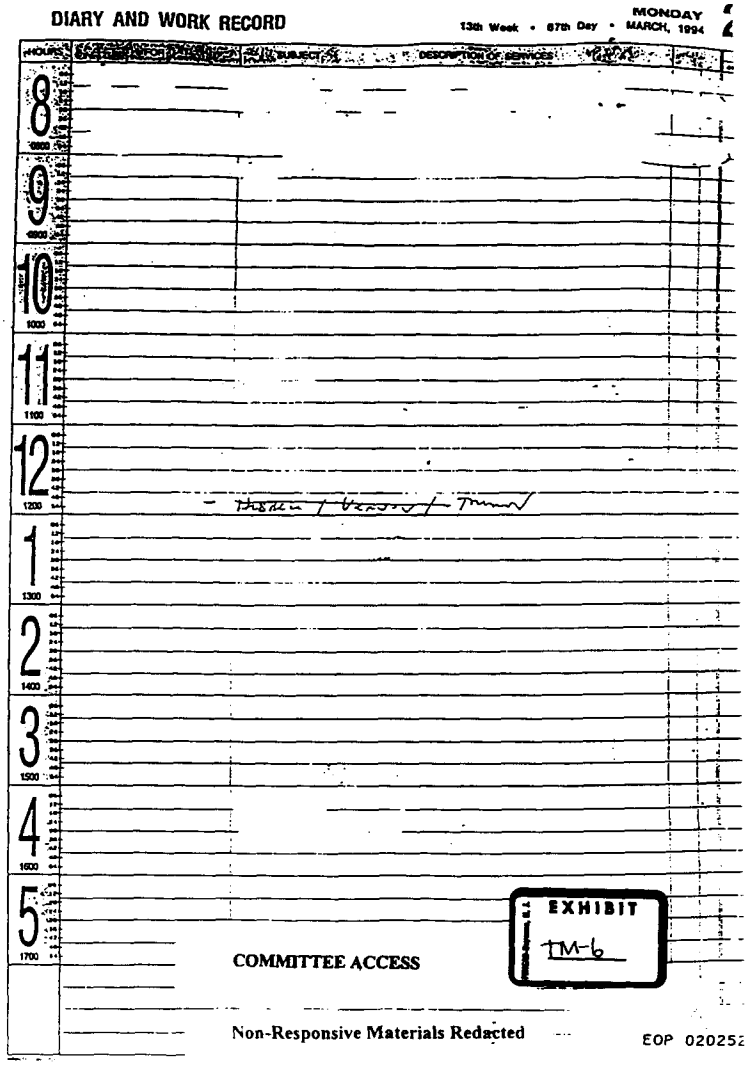
In addition to his professional accomplishments, Mr. Hubbell has extensive public service experience. He served as Mayor of Little Rock from 1979-81; on the City Board of Directors from 1978-84 and in a number of other civic positions over the years. He has been active in the Arkansas Bar Association, in the House of Delegates from 1976-79, and on the Executive Committee from 1978-80. Mr. Hubbell has also served on a number of boards and commissions including: Visiting Nurses Association of Pulaski County Board of Directors (1976-84), President (1978-82); Arkansas Art Center, Board of Directors (1985-91), Treasurer (1980); Little Rock Downtown Partnership, Board of Directors (1984-1992); University of Arkansas at Fayetteville, National Development Counsel (1986-1992); University of Arkansas Medical Sciences Foundation; and Little Rock Boys Club, Board of Directors (1988-1992).

Mr. Hubbell was an excellent student and athlete as a young man. Drafted by the Chicago Bears -- an offer he passed up to pursue a law degree. He graduated with honors from the University of Arkansas at Fayetteville in 1973. Mr. Hubbell received a B.S. in Electrical Engineering from the University of Arkansas at Fayetteville in 1970.

Mr. Hubbell is married to Suzanna Ward and the couple have four children, Walter, Rebecca, Caroline, and Kelley.

EOP 020326

COMMITTEE ACCESS


DIARY AND WORK RECORD

13th Week • 87th Day • MONDAY MARCH, 1994

HOURS | SUBJECT | DESCRIPTION OF SERVICES

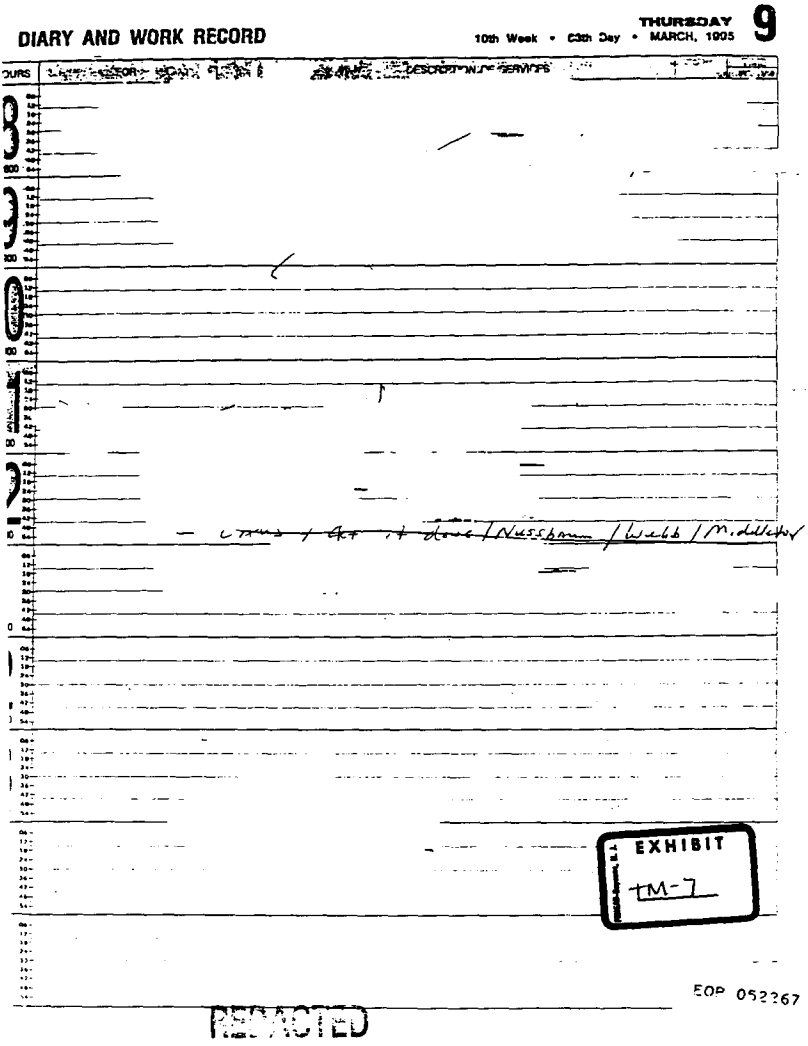
8 0800
9 0900
10 1000
11 1100
12 1200
1 1300
2 1400
3 1500
4 1600
5 1700

EXHIBIT
TM-6

COMMITTEE ACCESS

Non-Responsive Materials Redacted

EOP 020252



DIARY AND WORK RECORD

THURSDAY 9
10th Week • 63th Day • MARCH, 1995

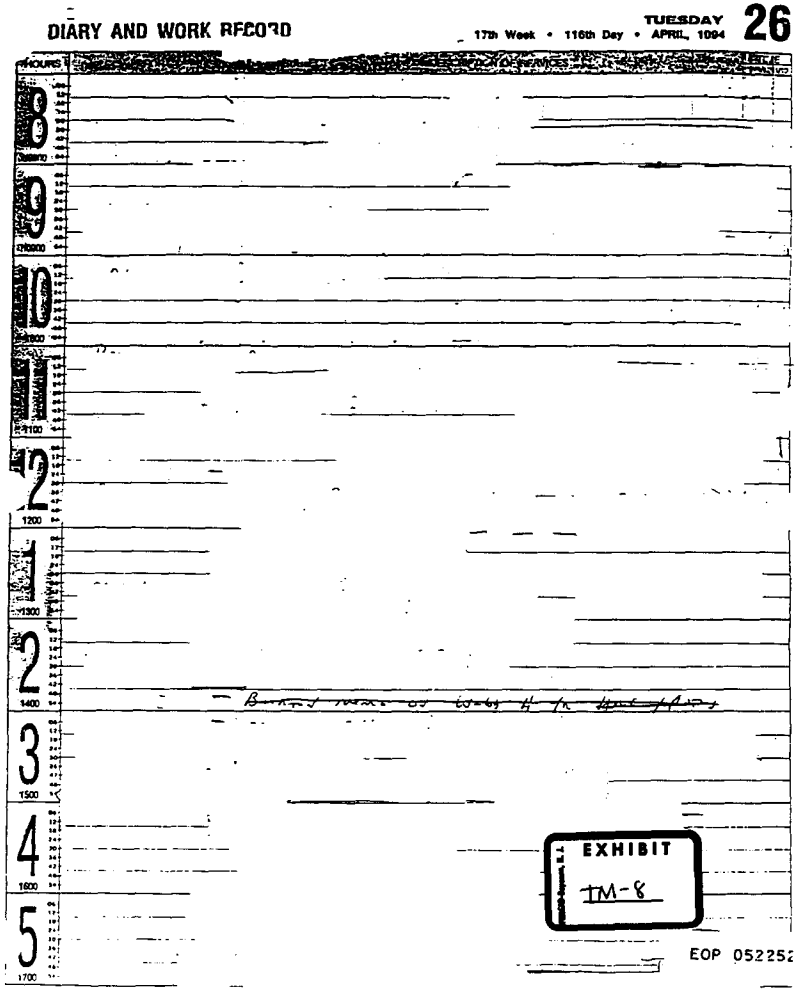
HOURS | FOR | DESCRIPTION OF SERVICES

— [illegible] / [illegible] / [illegible] / Nussbaum / Webb / Middleton

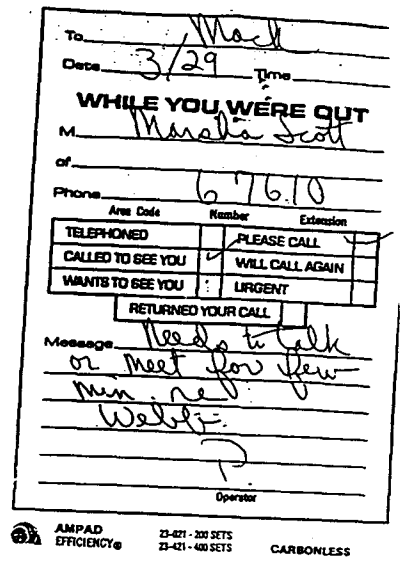
EXHIBIT
TM-7

EOP 052267

REDACTED


DIARY AND WORK RECORD
17th Week • 116th Day • APRIL, 1994
TUESDAY
26
EXHIBIT
TM-8
EOP 052252

REDACTED



To Mack

Date 3/29 Time

WHILE YOU WERE OUT

M. Marsha Scott

of

Phone 67610

Area Code Number Extension

TELEPHONED		PLEASE CALL	✓
CALLED TO SEE YOU	✓	WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message Needs to talk or meet for few min. re Webb.

P.

Operator

AMPAD EFFICIENCY® 23-021 - 200 SETS 23-421 - 400 SETS CARBONLESS

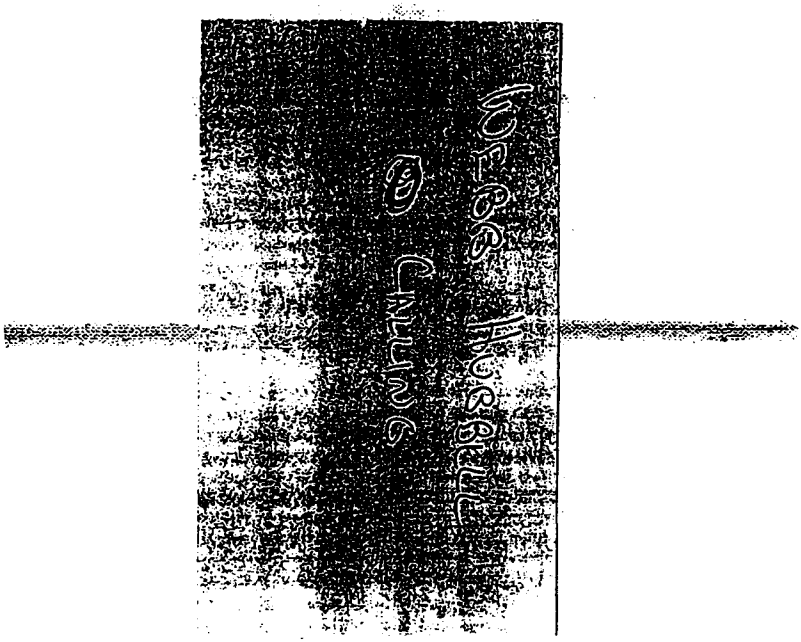
EXHIBIT TM-9

NON-RESPONSIVE MATERIAL REDACTED

CGRO-1805
Req. 2/3/9

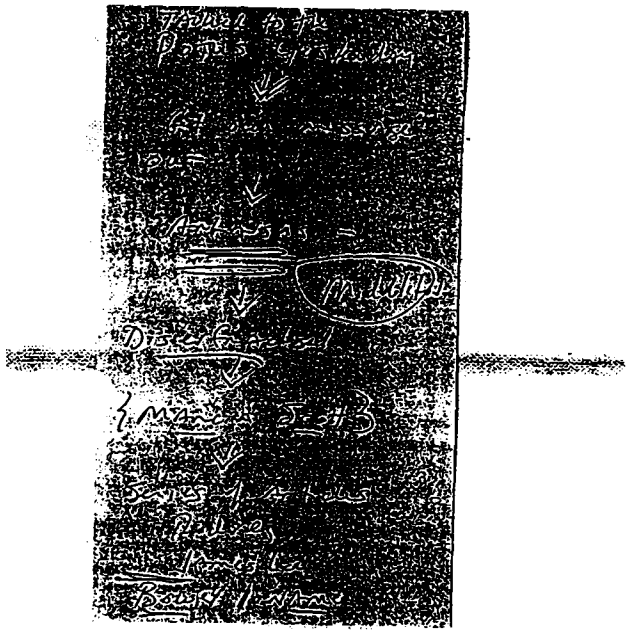
COMMITTEE ACCESS

EOP 020211



COMMITTEE ACCESS

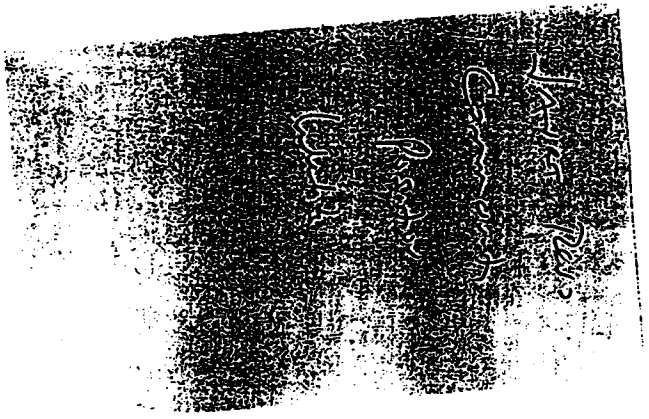
EOP 020241



COMMITTEE ACCESS

EOP 020242





COMMITTEE ACCESS

EOP 020244

POLITICAL FILE

To: Mack McLarty
From: Mark Middleton
Re: Outreach efforts

Pursuant to our conversation earlier in the week, I have given considerable thought to how we could better service our supporters. Most of these benefits require no money and marginal effort, but do necessitate a customer/supporter service mindset. Moreover, identifying the proper supporters and creating an unobstructed, or at least receptive, avenue for those who can best identify forgotten friends is critical to this effort.

Obviously, not every Clinton supporter can be invited to a White House dinner, but every major donor and significant early player must be given priority. Having strong familiarity with the donor community, and in light of our future needs, I would suggest that reach all the way back to the $20,000 contribution level. This benchmark captures most of the major players without touching the Business Leadership Forum membership ($15,000) since they are involved largely for corporate reasons. I am presently attempting to identify DNC trustees ($100,000) who have fallen between the cracks and there are several. Upon completion of this process we should invite these individuals to the White House for a small dinner with the President. Immediate priority must be given to these persons.

In addition to the big money crowd, there are a number of other important groups that need serious attention. As such, I would suggest that a series of White House receptions be scheduled on an annual basis for the following groups:

1.) Early and Substantial Clinton Supporters–Comprised of individuals who gave at least $500.00 to the Clinton campaign early in the election effort. The number of persons in this group, obviously, depends on what one considers "early." For purposes of thought, I enclose the following data:

August 1991 -	5	February 1992-	1078
September 1991 -	85	March 1992-	932
October 1991 -	232	April 1992 -	1103
November 1991 -	153	May 1992-	1231
December 1991 -	937	June 1992-	845
January 1992 -	681	July 1992-	509

It is my feeling that we should draw the line at March, which would place us at 4,073 individuals. But, please note this number will be significantly smaller after deleting those individuals who have previously attended a White House event and after the spring event scheduled for Arkansas friends.

EXHIBIT
MM-11

EOP 052422

2.) Clinton/Gore Presidential Planning Foundation–Comprised of individuals who contributed the maximum of $5,000.00 to the transition effort. This group of 250 individuals was promised a White House reception for their efforts, but it has never occurred.

3.) Business Leadership Forum–Comprised of individuals who have contributed $10,000.00 or corporations who have contributed $15,000.00 to the DNC on an annual basis. The present membership of this group is 620 persons.

4.) National Finance Council–Comprised of individuals and corporations who have contributed $5,000.00 to the DNC on an annual basis. The present membership is 400 persons.

Besides White House dinners and receptions, Saturday radio addresses should also be utilized to take care of our political and financial supporters. As it is presently set up, the communications operation basically makes these decisions. I would recommend that this function be shifted to the White House Social Office so that a systematic operation exists for taking care of supporters. At a bare minimum, a couple of seats should be set aside for financial supporters every week.

Air Force One may be the most coveted asset we have for rewarding our friends. Personally, with a few exceptions, I don't think there should ever be an empty seat on board the aircraft. This is a major perk and should be provided selectively, but none-the-less, fully utilized.

In a related regard, we should take full advantage of airport landings and departures. Presently, our policy is to only allow elected officials to be in the official greeting line. I am uncertain of the rationale for this decision, but we could certainly use the opportunity to make our supporters happy. These people should be invited well in advance of our arrival or departure, not as we fly into the air base.

An additional suggestion for taking care of friends is to set aside one night per week for use of the President's box at the Kennedy Center. I would suggest inviting a delegation of supporters from key states to join a White House official. Cabinet and agency officials would likely be pleased to be included in this manner as well, and supporters would be honored to spend time with them.

We should also establish a system for notifying key supporters of Cabinet Secretary visits and then include them in the officials activities. In fact, a specific meeting or reception should occur, whenever possible, during these stops.

As you can see, we have numerous opportunities to maintain personal contact with our most important supporters. The central problem is that there is no established system (i.e. no comprehensive list) for taking care of these people. Additionally, White House employees, who have complete discretion to made these decisions, often don't know many of the President's earliest and most generous friends. In fact, those persons best able to make these decisions are routinely disregarded and their input questioned.

In order to properly redress the aforementioned issues, I would ask to consider the following:

* Authorize me to put together a comprehensive list of early and substantial contributors.
* Establish a formal system, largely based on level of support, for taking care of the aforementioned individuals. (e.g. Every $100,000.00 contributor is invited to a small dinner; every $5,000.00/$10,000.00 contributor is included in a reception)
* Issue a directive to key White House officials that taking care of these friends is a priority.
* Allow Administration officials who have personal relationships with these supporters to be present when the guest arrives for the designated event.
* Maintain an accessible database that accurately details the benefits provided to these individuals.

Let's discuss.

Arkansas Finance Committee

Senator Ben Allen
Attorney at Law
Phone: [redacted]

Home: 15 Tam-O-Shanter Drive
Little Rock, Arkansas 72212
[redacted]

Mark Middleton's List

Mrs. Kay Kelley Arnold
Arkansas Power & Light Company
Post Office Box 551
Little Rock, Arkansas 72203
Phone: [redacted]
Fax: [redacted]

Home: 3901 Cedar Hill Road, #5
Little Rock, AR 72202
[redacted]

Mr. Truman Arnold
The Truman Arnold Companies
Post Office Box 1481
Texarkana, Texas 75504
Phone: [redacted]
Fax: [redacted]

Home: Use same as above

Mr. Joe Bell
Friday Eldredge & Clark
2000 First Commercial Bulding
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 5201 Stonewall Road
Little Rock, Arkansas 72207
[redacted]

EXHIBIT
TM-12

EOP 042878

Mr. Jim Blair
Tyson Foods, Inc
Post Office Box 2020
Springdale, Arkansas 72765-2020
Phone:
Fax:

Home: Not available

Mr. Bill Bowen
Healthsource Arkansas
650 S. Shackleford, Suite 440
Little Rock, Arkansas 72211
Phone:
Fax:

Home: 2200 N. Beechwood
Little Rock, Arkansas 72207

Mr. Curt Bradbury
Worthen Banking Corporation
Post Office Box 1681
Little Rock, Arkansas 72203
Phone:
Fax:

Home: 36 Pinehurst
Little Rock, Arkansas 72212

Senator Jay Bradford
Post Office Box 8367
Pine Bluff, Arkansas 71611
Phone:
Fax:

Home: #31 Longmeadow
Pine Bluff, Arkansas 71603

Mr. Doug Buford
Wright Lindsey & Jennings
2200 Worthen Bank Building
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 1321 Kavanaugh
Little Rock, Arkansas 72205
[redacted]

Mr. Wayne Cranford
Cranford Johnson Robinson Woods
303 West Capitol Avenue
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 1917 N. Spruce
Little Rock, Arkansas 72207
[redacted]

Mr. Herschel Friday — Deceased
Friday Eldredge & Clark
2000 First Commercial Building
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 60 Bob White Hill Lane
North Little Rock, Arkansas 72120
[redacted]

Mr. Mark Grobmyer
Arnold Grobmyer & Haley
Post Office Box 70
Little Rock, Arkansas 72203
Phone: [redacted]
Fax: [redacted]

Home: 3 Edgehill Road
Little Rock, Arkansas 72207
[redacted]

Mr. Dick Herget
Rebsamen Insurance
1500 Riverfront Drive
Little Rock, Arkansas 72202
Phone:
Fax:

Home: 5715 Hawthorne Road
Little Rock, Arkansas 72207

Mr. George Jernigan
Meeks & Carter
Post Office Box 34193
Little Rock, Arkansas 72203
Phone:
Fax:

Home: 10 Woodsong
Roland, Arkansas 72135

Mr. Bill Kennedy
The White House
Old Executive Office Building, Room 136
Washington, D.C. 20500
Phone:
Fax:

Home: 3207 Alabama Avenue
Alexandria, Virginia 22305

Dr. Drew Kumpuris
415 N. University Drive
Little Rock, Arkansas 72205
Phone:
Fax:

Home: 1911 Shadow Lane
Little Rock, Arkansas 72207

Mr. Richard Mays
Mays & Crutcher Law Firm
415 Main Street
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 47 Kings Arm
Little Rock, Arkansas 72207

Mr. Mac McLarty
The White House
First Floor, West Wing
1600 Pennsylvania Avenue, N.W.
Washington, D. C. 20500
Phone: [redacted]
Fax: [redacted]

Home: 2475 Kalorama, N.W.
Washington, D. C. 20008
[redacted]

Mr. Mark Middleton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500
Phone: [redacted]
Fax: [redacted]

Home: 2020 F Street, NW, #103
Washington, D.C. 20006
OR
52 DuClair Court
Little Rock, Arkansas 72211

Mr. Maurice Mitchell
Mitchell Law Firm
320 West Capitol, Suite 1000
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 2 Rivermist Circle
Little Rock, Arkansas 72202
[redacted]

Mr. Ark Monroe
Mitchell Law Firm
320 West Capitol Avenue
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 11 Ranch Valley Road
Little Rock, Arkansas 72207
[redacted]

Mr. Sam Perroni
Perroni Law Firm
801 West Third Street
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 8421 Beck Road
Little Rock, Arkansas 72212
[redacted]

Mr. Skip Rutherford
Cranford Johnson Robinson Woods
303 West Capitol Avenue
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 5604 Hawthorne
Little Rock, Arkansas 72207
[redacted]

Mr. Archie Schaeffer
Tyson Foods, Inc.
Post Office Box 2020
Springdale, Arkansas 72765-2020
Phone: [redacted]
Fax: [redacted]

Home: 1404 West Cleveland
Fayetteville, Arkansas 72701
[redacted]

Mr. Gary Smith
Worthen Banking Corporation
Post Office Box 1681
Little Rock, Arkansas 72203
Phone: [redacted]
Fax: [redacted]

Home: 53 Pine Manor
Little Rock, Arkansas 72207
[redacted]

Mr. Larry Wallace
Wallace, Clayton & Green
425 West Capitol, 38th Floor
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 2 Violet Court
North Little Rock, Arkansas 72116
[redacted]

Mr. Jack Williams
Williams & Anderson
111 Center Street
400 Rogers Building
Little Rock, Arkansas 72201
Phone: [redacted]
Fax: [redacted]

Home: 3901 Cedar Hill Road, #7
Little Rock, Arkansas 72202
[redacted]

The Honorable Bill Wilson
Post Office Box 1379
Little Rock, Arkansas 72203
Phone: [redacted]
Fax: None

Home: Not Available

Memorandum

May 5, 1994

TO: Ann Cahill

FR: Martha Phipps

RE: WHITE HOUSE ACTIVITIES

In order to reach our very aggressive goal of $40 million this year, it would be very helpful if we could coordinate the following activities between the White House and the Democratic National Committee.

1. Two reserved seats on Air Force I and II trips
   Contact: Ricki Seidman/Mike Lufanio

2. Six seats at all White House private dinners
   Contact: Ann Stock

3. Six to eight spots at all White House events (i.e. Jazz Fest, Rose Garden ceremonies, official visits)
   Contact: Ann Stock

4. Invitations to participate in official delegation trips abroad
   Contact: Alexis Herman

5. Better coordination on appointments to Boards & Commissions

6. White House mess privileges
   Contact: Patsy Thomason

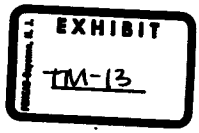
7. White House residence visits and overnight stays
   Contact: Ann Stock

8. Guaranteed Kennedy Center Tickets (at least one month in advance)
   Contact: Ann Stock

9. Six radio address spots
   Contact: David Levy

10. Photo opportunities with the principles

11. Two places per week at the Presidential CEO lunches
    Contact: Alexis Herman



12. Phone time from the Vice President
    Contact: Jack Quinn

13. Ten places per month at White House film showings
    Contact: Ann Stock

14. One lunch with Mack McLarty per month
    Contact: Mark Middleton

15. One lunch with Ira Magaziner per month
    Contact: Marge Tarmey

16. One lunch with the First Lady per month
    Contact: Maggie Williams

17. Use of the President's Box at the Warner Theater and at Wolf Trap.
    Contact: Ann Stock

18. Ability to reserve time on the White House tennis courts

19. Meeting time with Vice President Gore
    Contact: Jack Quinn

Bruce L
Marsha S
Mark M
Desk

CONFIDENTIAL

September 8, 1994

TO: Mack McLarty

FROM: Skip Rutherford

RE: Arkansas 1994 Year-end Plan

Per our discussions about Arkansas, it is my recommendation that first a short-term strategy be implemented from now through year end. 1996 organizational work should begin early 1995, and along with staffing considerations, the Arkansas Travelers should be reactivated at that time with particular emphasis on the early primary states.

Between now and and January 1, however, the emphasis should be on once again tapping the state and local pride that one of our own has been elected to the highest office in the land. While I have not seen any recent statewide polls, it is my assumption based on local and Congressional polls, that the President's numbers have declined here just as they have throughout the country.

Thus, I believe the President and Mrs. Clinton should make a trip to the state in October. It would be my recommendation that they arrive for an event on a weekday evening in the Clinton Ballroom of the Excelsior Hotel or the Old State House. This could be a dinner honoring either/both Clintons; a Roast and Toast of the Clintons or you to benefit the Old States House or some other cause; or it could be a cocktail buffet reception honoring the Clintons and benefitting the DNC and/or the Arkansas Democratic Party. There are numerous possibilities for an event.

Under this plan the Clintons could stay with Mrs. Rodham or at the Presidential Suite at the Excelsior. He would jog the next morning with friends. Later that morning the Clintons would attend the dedication of the new Clinton Elementary School in North Little Rock. A noon flight from

EXHIBIT
TM-14

Little Rock to Washington is possible. Schedule permitting, I would touch down at Blytheville and have an event on the former Blytheville AFB which was closed. Longtime Clinton supporter and former Mississippi County Judge Joe Gurley is coordinating re-development efforts. The Blytheville stop would be the President's first trip to the Arkansas Delta (and to the First Congressional District where he runs best) since the election. The theme of the Blytheville visit would be job training and defense conversion.

Other things I would do in the next few weeks would be:

1. Both the President and Mrs. Clinton need to have "Arkansas" call lists and if possible make 2 or 3 Arkansas phone calls a day.

2. Arkansas staff should be more visible when home. You, Carol Rasco, and Craig Smith, for example, have been very good about that, but you need to make sure that all staff trips home -- both by the White House staff and by selected others in the administration -- are maximized.

3. The video taped messages are big hits at tributes, dinners, etc. Between now and year end, these should be utilized as much as possible.

4. You need to make sure that a formal Presidential picture suitable for framing is sent to every school, and every senior citizen center in Arkansas.

5. The Clintons have been very generous in inviting Arkansans to come to the White House. You need to review with the Social Office who has not yet been invited and who needs to be.

6. The Clinton Library: I realize there are compelling reasons why the decision can't be made today. However, I do believe the President could say that the Library will be in Arkansas . . . That in itself would end any speculation that it is going "out of state" . . . .

7. There is a big perception which started with the Defense Center rejection, was enhanced with the Vince Foster death, the Webb Hubbell and David Watkins resignations, your move from Chief of Staff to Counselor and Richard Arnold not getting the Supreme Court that Arkansas didn't matter any more. In addition to that, as you know, the national press and legal issues have also dominated the lives of many Arkansans and Arkansas companies. This all contributes to the feeling that Arkansas is getting beat up.

The certainty of both a Presidential Library and a Northwest Arkansas airport would help offset this impression. In addition, someone from your operation

should meet with the Bumpers and Pryor staffs to get an accounting of "pending" Arkansas projects. For example, Blanche Lambert is pursuing a Delta Studies program at Arkansas State University which should be encouraged and strongly supported.

8. If the Clintons are not planning to come to Arkansas for either Thanksgiving or Christmas, I would encourage a 30-minute television interview in the living quarters of the White House for holiday showing in Arkansas using the Arkansas station and anchor of the Clintons choice.

9. On the positive side, I do believe the organizational efforts including the processing of congratulations, thank you, birthday and sympathy letters are working well. This is in large part due to the Arkansas DNC office working closely with the DNC and the White House. These "little things" mean a lot and can't be taken for granted.

Finally, in any plan you must consider what else could be happening in the state between now and year end. The continuing Fiske/Starr investigation and the November elections come to mind.

I would be glad to discuss this with you at your convenience.

SR:sw

Cleared By Cousin's off.

Ron Brown's off
1st Lady → Connie St
Schedulin
482-588
also met

2 November 1995

MEMORANDUM TO MACK MC LARTY

FROM JANICE ENRIGHT

RE Teguh Ganda Widjaja
Wenny Limantara
Sukmawati Widjaja

Attached is background information on 3 people who Mark Middleton has requested be photographed with the president Thursday night at the Hay Adams, at the small Clinton/Gore fundraising dinner. According to Terry, Mark has been talking to them about the Clinton Library.

Harold is not familiar with work that is being done in this regard, but, I am told by Terry that you and Mark are working on this project at the direction of Mrs. Clinton.

Although this is a very unusual request and with virtually no time to check on these 3 individuals, based upon Mark's conversations with Terry, Harold felt that if you were comfortable and could attest to the integrity of these individuals and the business they represent, we would tell the Re-elect to have them photographed with the President.

Since the dinner is tonight, please advise at your earliest convenience.

Thanks!

EXHIBIT
TM-15

EOP 052345

Middleton file

November 2, 1995

MEMORANDUM FOR JANICE ENRIGHT

FROM: PATTY McHUGH

SUBJECT: YOUR MEMO TO MACK RE: TEGUH GANDA WIDJAJA
WENNY LIMANTARA
SUKAMAWATI WIDJAJA

Mack indicated that although he cannot attest to the absolute integrity of the above individuals, he can affirm that they are legitimate business people. Mark Middleton has advised us that they have been cleared by counsel's office at the Commerce Department; his contact in the scheduling office at Commerce is Connie Stack (482-5880). Mark also said that they have met with the First Lady.

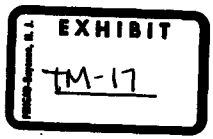
Mack feels that it would be alright for them to have a photo taken with the President this evening.



SCHEDULE OF MACK MCLARTY

Draft (11/18/96 6:25 pm)
TUESDAY, OCTOBER 31, 1995 HAPPY HALLOWEEN!

Molly Varney	Pager [redacted]	Home [redacted]
Patty McHugh	Pager [redacted]	Home [redacted]



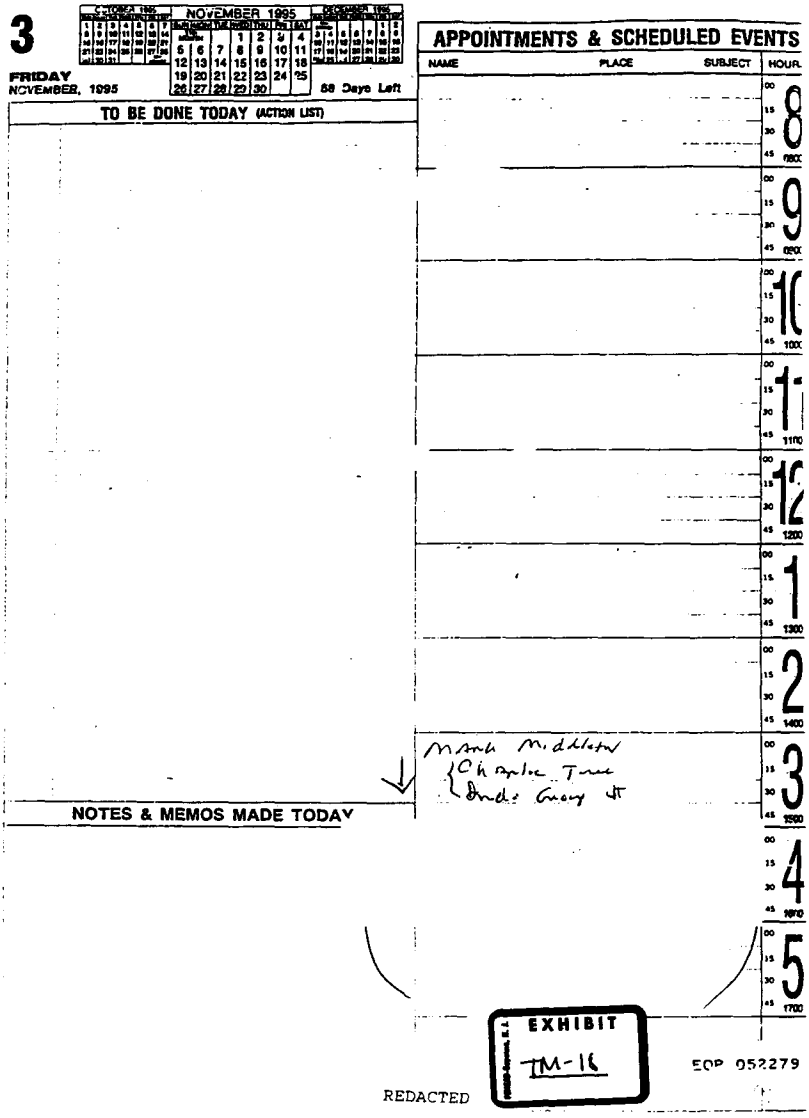
EOP 052308

REDACTED

6:50 pm	**DEPART EN ROUTE TO MARK MIDDLETON'S DINNER**
7:30 pm	Location: Hay Adams Hotel
7:30 pm	**DEPART EN ROUTE HOME**

EOP 052309

REDACTED


3
FRIDAY
NOVEMBER, 1995
NOVEMBER 1995
58 Days Left
TO BE DONE TODAY (ACTION LIST)
NOTES & MEMOS MADE TODAY
APPOINTMENTS & SCHEDULED EVENTS
NAME
PLACE
SUBJECT
HOUR
Mark Middleton
Charlie Trie
Linda Tripp
EXHIBIT
TM-16
EOP 052279
REDACTED

SCHEDULE OF MACK MCLARTY

Draft (11/18/96 6:26 pm)
FRIDAY, NOVEMBER 3, 1995

Molly Varney	Pager [redacted]	Home [redacted]
Patty McHugh	Pager [redacted]	Home [redacted]9

3:00 pm **MEETING W/ MARK MIDDLETON**
4:00 pm Location: 1201 Conn Ave
Contact: Linda [redacted]

EXHIBIT
TM-19

EOP 052310

REDACTED

~~CONFIDENTIAL~~ ~~CONFIDENTIAL~~ UNCLASSIFIED 1591

THE WHITE HOUSE
WASHINGTON

April 13, 1993

MEMORANDUM FOR THOMAS F. MCLARTY

FROM: ANTHONY LAKE

SUBJECT: Request for Presidential Photo Opportunity with PRC Governor and Delegation

Arkansas' State Auditor wrote requesting a photo opportunity with the President April 14 on behalf of a visiting PRC delegation. The event is being promoted by Charlie Trie, a friend of the President's according to the incoming from Arkansas. As President-elect, the President promised the delegation a warm welcome in Arkansas and suggested they contact the Arkansas Governor's office if he could be of service in the future.

The delegation is led by a governor; immediately after his visit another delegation, led by a PRC Vice Minister, arrives in Washington. If we arrange for the governor to meet with the President, we will also need to arrange a similar meeting for the Vice Minister, who outranks him. Foreign provincial officials do not normally meet with heads of state.

Kris Cicio has been in touch with Arkansas to explain the situation. They understand and are amenable to a meeting with Kent Wiedemann.

Attachments
Tab A Incoming

EXHIBIT
TM-20

~~CONFIDENTIAL~~
Declassify on: OADR

UNCLASSIFIED

COMMERCECORP INTERNATIONAL
1463 PENNSYLVANIA AVENUE
SUITE 660
WASHINGTON, D.C. 20004
TEL: (202) 737-9306
FAX: (202) 737-9319

MEMORANDUM

TO: Mack McLarty

FROM: Mark Middleton MM

RE: Asian Aerospace

DATE: 12/15/95

Ambassador Tim Chorba feels that it is very important that the White House send a high level representative to attend the Asian Aerospace event in Singapore on February 6, 1995. It is rumored that you will attend and, if so, Tim would like to host you and Donna (see attached).

Would you please review this matter and see that it gets proper attention? A response back to Ambassador Chorba from you would be appreciated.

I trust you had a pleasant trip to Venezuela. I hope to see you in Little Rock. Happy holidays to you, Donna, Mark and Franklin.

Enclosure



COPY
from ORM
7711

EOP 020323
COMMITTEE ACCESS

DAILY PHONE LOG FOR MARK MIDDLETON DATE: April 14, 1994

TIME	NAME/COMPANY	PHONE NO.	REMARKS	ACTION
11:12 A /	Joe Girour	501-372-3000	4/21-22 in DC; bringing Lipo, Entergy, North China Power Corp. Pls call per Patty He wants to meet w/Mack	✓

REDACTED

EXHIBIT
TM-22

EOP 044984

12:25 P /	Richard Mays	202-347-0773		✓

Printed: 12:25 pm

D. JOSEPH O'BRIEN

MAY 24 1994

'Y Card

May 18, 1994

COPY
from ORM

Mr. Thomas F. McLarty
Chief of Staff to The President
The White House
1600 Pennsylvania Ave.
Washington D.C. 20500

RE: Report of Contact with Mark McLarty by Harry Ward, M.D.

Dear Mack,

Harry Ward arrived back this week from a two week trip to Asia. He was extremely well attended to by the Lippo Group/Riadys in Jakarta, Bali, and Hong Kong.

He passed along some personal news. At a dinner in Hong Kong, at an exclusive restaurant, your son Mark was invited by David Yeh of The Lippo Group to join he and Harry. Harry enjoyed both his company and hearing about his experiences during his semester in Hong Kong. Mention was made of plans for a visit to nearby countries in the region before returning to the U.S. In sum Harry reported Mark is doing well and is remarkably knowledgeable about the logistics of Hong Kong.

With continued best wishes for ongoing success, I remain,

Sincerely,

EXHIBIT
TM-23

EOP 029870

080020

080031
F6006-03

THE WHITE HOUSE
WASHINGTON

April 23, 1993

COPY
from ORM

Mr. James T. Riady
Deputy Chairman
Lippo Group
711 W. College Street
Los Angeles, CA 90012

Dear James,

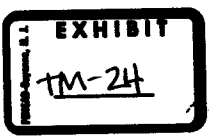
I enjoyed the opportunity to see you again and meet the Governor of Jakarta last week when you visited the White House.

On a personal note, I want to thank you for the beautiful, handcarved nameplate. It is a unique memento which is representative of the Indonesian heritage and culture and which obviously is an art handed down from generation to generation. The detail in the carving is absolutely superb. Thank you.

Personally,

M. L

Mack McLarty
MMcL:sj



MEMORANDUM

TO: WENDY NISHIKAWA

FROM: DEAN MATSUBAYASHI, APA-DNC POLITICAL AFFAIRS

DATE: NOVEMBER 15, 1993

RE: NAMES FOR APEC BREAKFASTS

****

Vida asked me to send you a copy of the names of individuals who should be invited to the APEC breakfasts. If there are any questions, please call me at 863-7129.

Matt MacLarty Breakfast

Phyllis Campbell
Bella Evangelista
March Fong Eu
George Ishiyama
John Huang
Gary Locke
Wallace Low
Nora Lum
Gene Lum
James Riady
Maeley Tom
Rep. Velma Veloria
Rep. Art Wong
Grace Yuan
Maria Haley
Dennis Hayashi
Rose Ochi

Ron Brown Breakfast

Richard Choi Bertsch
Arun Jhaveri
Rep. Stanley Fleming
Vera Ing
Youngmin Lee
Gene Lidell
Councilwoan Martha Choe
Amrish Mahajan
Dan Mar
Chris Mar
Roger Mizumori
Mufi Hanneman

EXHIBIT
TM-25

Asunta Ng
Arlene Oki
Duc Tran
Al Sugiyama
Richard Park
Wendell Griffith
Ginger Lew
Melinda Yee

Bob Rubin Breakfast

Lilia Clemente
Kanchan Kaye
Chang Mook Sohn
Jessie Tan
Tomio Moriguchi
Councilwoman Cheryl Chow
Dennis Okamoto
Scott Oki
Kip Tokuda
Rep. Paull Shin
Rep. Art Wang
Ross Hirano
Joan Yoshitoni
Alice Young
John Tisdale
Josie Natori
Linda Tsao Yang

To: LEON PANETTA
From: MACK MCLARTY

To: Mack McLarty
John Podesta

From: Bruce Lindsey

Re: Arkansas Delegation to APEC

I spoke with John Tisdale and Doug Buford yesterday about the Arkansas "delegation" to the APEC Conference in Indonesia. The list has been whittled down to the following:

Alan and Jean Sugg
✓Wayne and Francis Cranford
Mark and Libby Grobmyer
Alice Walton
A representative of Systematics
A representative of Entergy
Paul Berry (maybe)

All, except Paul Berry, appear to have some legitimate reason for being there. Mark Grobmyer is chairman of the International Business Committee of the Little Rock Chamber of Commerce, the University of Arkansas is signing some sort of exchange program with an university in Indonesia, etc. Doug, who negotiated the revised list with James Riady, asked about his "status." He clearly would like to go, but will do whatever we want. He believes his presence will help to "control" the group. As you know, Doug is President-elect of the Little Rock Chamber of Commerce which might justify his inclusion.

The delegation does not expect to do anything with President Clinton, but would like to be invited to the American reception hosted by the Department of Commerce and to Clinton's speech to the conference, if the speech is open to outside guest.

James Riady and his father would like to have the opportunity to visit briefly with President Clinton in the hotel during the visit. James has been reasonable in culling the list, and I think we should try to schedule a 15 minute meeting for them.

EXHIBIT
TM-26

EOP 030679

WB

THE WHITE HOUSE
WASHINGTON

August 2, 1996

COPY from ORM

Mr. James T. Riady
Deputy Chairman
Lippo Group
8/F, Asia Tower
101 Ditoponegoro Boulevard
Lippo Village
Karawaci, 15810 Tangerang
Indonesia

Dear James:

I certainly enjoyed seeing you and John Huang at the Winston Bryant reception with the President. It was good to have an opportunity to visit with you.

I did want to acknowledge your very kind words about me and my presentation at the recent APEC business meeting. You have keen insights into business matters, both in your region and from a global standpoint, and thus your comments were particularly meaningful to me.

Continued best wishes in all of your endeavors, and I look forward to our having the occasion to cross paths again in the future.

Personally,

Mack McLarty

EXHIBIT
TM-27

MEMORANDUM

TO: Mack McLarty

FROM: Mark Middleton

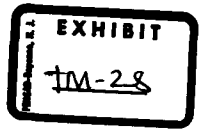
RE: Monday Meeting

DATE: 9/6/96

Many thanks to you for your expeditious assistance. It is appreciated and remembered.

The meeting participant is currently staying at the Four Seasons Hotel in New York (212-758-5700), he can be reached at that number until Saturday morning. His Washington DC reservation is at the Hay Adams Hotel (202-638-6600) where he is expected to arrive on Saturday evening.

If I can be helpful in facilitating the Monday meeting, I stand ready to be of assistance. Again, I appreciate your help.



CLASS: UNCLASSIFIED
DISPOSITION: NON RECORD
Transmission: 03-Apr-96 01:52 pm
SENDER: Fairfax, Kenneth J.
SUBJECT: RE: USF&S [UNCLASSIFIED]
TO: Beardsley, Tyler S.

CC: NO CC's on THIS MESSAGE

Good news. Thanks for your help.

From: Beardsley, Tyler S.
To: Fairfax, Kenneth J.
CC: /N, NonRecord at A1; Reed, George A.
Subject: RE: USF&S [UNCLASSIFIED]
Date: Wednesday, April 03, 1996 04:47 PM

Ken,
I spoke with WW (Nancy Hernreich's ofc.) folks. Found out that a meeting is not scheduled at this time and that we should not pursue one. Call me if you want more info. Thanks -TB

From: Fairfax, Kenneth J.
To: Beardsley, Tyler S.; Reed, George A.
CC: /N, NonRecord at A1
Subject: RE: USF&S [UNCLASSIFIED]
Date: Tuesday, April 02, 1996 04:17 PM

Grobmeyer & Co. have told several people (including Senate staffers and the NAS) that they have a meeting with Clinton lined up for next week. Any way you can find out if this is true or just more smoke?

From: Reed, George A.
To: Beardsley, Tyler S.; Fairfax, Kenneth J.
CC: /N, NonRecord at A1
Subject: FW: USF&S [UNCLASSIFIED]
Date: Tuesday, April 02, 1996 03:16 PM

Ken: Thks.

Tyler: See below. If/when Grobmeyer calls you back, tell him we've consulted again with the NSC and understand they have suggested the company deal with the NAS first for a technical discussion/feasibility analysis of the company's proposal. We will be prepared to meet with them at the staff level if/when the NAS and NSC feel that the time is right to have a useful discussion. If Grobmyer calls in at the political level on the POTUS side, have your contacts there call Ken for the status. If he calls our people (Strauss or others), let me talk to them. If we're directed to meet with these guys, obviously we will, but let's not do it until either we get a NAS/NSC recommendation or until we're directed to do so. Geo

From: Fairfax, Kenneth J.
To: Reed, George A.
CC: /N, NonRecord at A1
Subject: RE: USF&S [UNCLASSIFIED]
Date: Tuesday, April 02, 1996 01:06 PM

I have talked to him. While their proposal sounds reasonable on the surface, they have elected to work on a big political push rather than deal



with the 100's of complex issues involved in their proposal. As it stands now, they have an idea -- nothing more. They want the U.S. gov to develop it for them, pay them money, and turn them into a monopolist in the nuclear fuel services and waste disposal business.

Among the people who are unhappy with their proposal are both our Sentators from Hawaii and several other members of Congress whom Grobmeyer and company frequently name-drop as supporters.

What I have done is given Grobmeyer's proposal to the National Academy (Matt Bunn) for review. I have asked Grobmeyer to restrict all contacts to Matt. Matt is reviewing the basic idea to see how much -- if any -- genuine merit it has.

For now, I recommend telling Grobmeyer that he should contact Matt Bunn at the Academy. It is not productive to hold a WH or NSC meeting on this now.

From: Reed, George A.
To: Fairfax, Kenneth J.
CC: /N, NonRecord at A1; Beardsley, Tyler S.
Subject: USF&S[UNCLASSIFIED]
Date: Tuesday, April 02, 1996 12:45 PM

Ken:

We're getting bombarded by Mark Grobmeyer, the Washington rep for the US Fuel & Security spent fuel proposal, for us to set up a WH staff meeting so they can brief their proposal. We're stalling the guy, but I need some help--we've told him we'll participate in an NSC-chaired meeting because that's the right forum to brief a technical issue like the one they're pushing. I'm also not sure they've vetted it with other government agencies. Have you talked to this guy? Is there any merit to what he's pushing? --what do we want to do about him? Geo

[The deposition of Bruce R. Lindsey follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: BRUCE R. LINDSEY

MONDAY, SEPTEMBER 8, 1997

The deposition in the above matter was held in Room 2247, Rayburn House Office Building, commencing at 10:00 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Barbara Comstock, Chief Investigative Counsel; Kristi Remington, Investigative Counsel; David N. Bossie, Oversight Coordinator; Kenneth Ballen, Minority Chief Investigative Counsel; and Andrew J. McLaughlin, Minority Counsel.

Also Present: Representatives Waxman and Kanjorski.

For MR. LINDSEY:

WILLIAM J. MURPHY, ESQ.
NEIL R. WHITE, ESQ.
Murphy & Schaffer
Ninth Floor,
100 Light Street
Baltimore, Maryland 21202-1019

Ms. COMSTOCK. Good morning, Mr. Lindsey. I'd like to begin by thanking you on behalf of the members of the Committee on Government Reform and Oversight for appearing here today. This proceedings is known as a deposition. The person transcribing this proceeding is a House reporter and notary public. I will now request that the reporter place you under oath.

THEREUPON, BRUCE R. LINDSEY, a witness, was called for examination by Counsel, and after having been first duly sworn, was examined and testified as follows:

Ms. COMSTOCK. I would like to note, for the record, those who are present at the beginning of the deposition. My name is Barbara Comstock. I'm the chief investigative counsel of the committee and designated Majority counsel today. I'm accompanied today by Kristi Remington, who is also Majority investigative counsel. Ken Ballen will be the designated counsel.

Mr. MCLAUGHLIN. I'll note, for the record, that the notice we got was that this deposition was to be in 2203 Rayburn, so Ken Ballen is currently being retrieved. We will allow the Majority counsel to go ahead with reading the preamble, but maybe we'll pause when Mr. Ballen arrives.

Ms. COMSTOCK. Mr. Ballen will be accompanied by Andrew McLaughlin, who is also with the Minority staff. Although this proceeding is being held in a somewhat informal atmosphere, because you've been placed under oath, your testimony here today has the same force and effect as if you were testifying before the committee or in a courtroom. If I ask you about conversations you have had in the past, and you are unable to recall the exact words used in the conversation, you may state that you are unable to recall those exact words and then you may give me the gist or substance of any such conversation to the best of your recollection.

If you recall only part of a conversation or only part of an event, please give my your best recollection of those events or parts of conversations that you could recall. If I ask whether you have any information upon a particular subject and you've overheard other persons conversing with each other regarding it or have seen correspondence or documentation regarding it, please tell me that you do have such information and indicate the source, either a conversation or documentation or otherwise from which you have received such knowledge.

Before we begin the questioning, I would like to give you some background about the investigation and your appearance here today. Pursuant to its authority under House Rules X and XI of the House of Representatives, the committee is engaged in a wide-ranging review of possible political fund-raising improprieties and possible violations of law within the committee's jurisdiction.

[Mr. Ballen enters the room.]

Mr. MCLAUGHLIN. Barbara, let's go off the record for a second.

[Discussion off the record.]

Ms. COMSTOCK. Pages 2 through 4 of House Report 105-139 summarizes the investigation as of June 19, 1997, and encompasses any new matters which arise directly or indirectly during the course of the investigation. Also pages 4 through 11 of the report explain the background of the investigation. All questions related either directly or indirectly to these issues or questions which have a tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence is proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167, which passed the full House on June 20, 1997. Committee rule 20 of which you've received a copy outlines the ground rules for the deposition.

The Majority and Minority committee counsel will ask you questions regarding the subject matter of the investigation. Minority counsel will ask questions after Majority counsel is finished. After the Minority counsel has completed questioning you, a new round of questions may begin. Members of Congress who wish to ask questions will be afforded an immediate opportunity to ask their questions at any time when they may be present. When they are finished, committee counsel will then resume questioning.

Pursuant to the committee's rules, you're allowed to have an attorney present to advise you of your rights. Any objection raised by your attorney during the course of the deposition may be stated for the record. If a witness is instructed not to answer a question or otherwise refuses to answer a question, Majority and the Minority counsel will confer to determine whether the objection is proper. If Majority and Minority question agree that a question is proper, the witness will be asked to answer the question.

If the objection is not withdrawn by the witness' attorney, a Chairman or Member designated by the Chairman will decide whether the objection is proper, which means it may not be made public without the consent of the committee pursuant to clause 2(k)(7) of House Rule XI.

You are asked to abide by the Rules of the House and not discuss with anyone other than your attorney this deposition and the issues and questions raised during this proceedings. Finally, no later than five days after your testimony is transcribed and you have been notified that your transcript is available, you may submit suggested changes to the Chairman.

The transcript will be available for your review at the committee office. Committee staff may make any typographical and technical changes requested by you. Substantive changes, modifications, clarifications, or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement for your reasons for each proposed change. A letter questioning any substantive changes, modifications, clarifications, or amendments must be signed by you. Any substantive changes, modifications, clarifications, or amendments shall be included with an appendix to the transcript conditioned upon your signing the transcript.

With agreement by Minority counsel, we have extended that beyond five days, and we can also mail the transcript to you. We just ask that you sign a form saying that you haven't copied it or shared it with anybody else and that both you and the witness. So whatever is convenient for you, we can make arrangements.

The WITNESS. That will be more convenient, I'm sure.

Ms. COMSTOCK. Do you understand everything we've gone over so far?

The WITNESS. Yes.

Is there anything in Rule 20 about a tape recorder? Sorry.

Mr. BALLEN. I have a statement for the record. Under House Rule XI 2(k)(8), any objections as to relevancy or pertinency are ultimately matters for the full committee to decide even after ruling by the Chair.

Ms. COMSTOCK. I want to go over a few ground rules, too, before we get started. If you don't understand a question, I'd asked that you let me know, and I will repeat or rephrase it so that you do understand the question. The reporter will be taking down everything we say and will make a written record of the deposition. You must give verbal, audible answers because the reporter cannot record what a nod of the head or other gesture means. If you can't hear me, please say so and I'll repeat the question or have the court reporter read the question.

I would ask that you wait until I finish each question before answering, and I will wait until you finish your answer before I ask the next question so that we're not speaking over each other.

Your testimony is being taken under oath, as if we were in court, and it will be assumed that you understood the question and answer and that the answer you provide was intended to be responsive to it.

Do you have any questions about any of those matters?

The WITNESS. No. I mean, the only thing I would do, I mean, is say that, obviously, if I answer a question that I don't understand, it is not necessarily—I obviously understood the question that I thought I was understanding. I may not have understood the question you were asking. So I don't believe it is fair to suggest that if I answer a question, I understood the question that you were asking, clearly that I understood what I thought the question was.

Ms. COMSTOCK. Sure, I think that will be clear.

Mr. MURPHY. I think the law takes into account what you just said, Mr. Lindsey.

Ms. COMSTOCK. If we can go off the record for a minute.

[Discussion off the record.]

EXAMINATION BY MS. COMSTOCK:

Question. Are you here voluntarily today or as a result of a subpoena?

Answer. Voluntarily.

Question. Okay. I am not going to go through all the preliminary background things because we have that on previous records. So I'd like to go into initially some matters that you handled when you were Personnel Director.

Could you just state for the record, then, Mr. Lindsey, when you first became Director of Personnel at the White House.

Answer. January 20, 1993.

Question. And in that position, did you have various assistants?

Answer. Yes.

Question. And who were your main assistants at that time?

Answer. Two. One, John Emerson, was a Deputy, and Jan Piercy was a Deputy. We then had associate directors and others. We started out with a staff probably, a hundred plus. We ended up with a staff nine, ten months later of 24. So we were downsizing throughout that entire period.

Question. And at that time, was there an office called Priority Placement that handled priority placements?

Answer. I'm not sure that's what it is was called. But I mean, there was—there were several offices. We had an office that dealt with congressional inquiries, which were considered to be priority placements. We had an office that dealt with political individuals who had been involved in the campaign, which is probably what you're referring to.

Question. Was that Michael Whouley?

Answer. Michael Whouley, yes. And again, he dealt mostly with trying to place people who were involved in the campaign. But again, we got hundreds and thousands of requests from Congressmen and we had an office that also sort of tried to prioritize those, and we consider those to be priority requests, too.

Question. Did Bob Nash work in your office at that time?

Answer. For a short period of time, yes. Bob Nash was one of the Deputy Directors during the transition. I think there were four or five deputy directors during the transition. He continued to work in Presidential personnel until he went to the Department of Agriculture, and I don't quite remember when that was.

Question. And did Gil Colon work in that office?

Answer. Yes.

Mr. BALLEN. Who? I'm sorry, I'm having trouble hearing.

Ms. COMSTOCK. C-O-L-O-N.

The WITNESS. Yes. He worked in the one of the—he worked in the Personnel Office, yes. I'm not sure exactly what year and area.

EXAMINATION BY MR. COMSTOCK:

Question. And did you know Mr. Colon prior to him joining that position in your office?

Answer. No, I don't believe so. Unless I knew him in the campaign. But I don't recall knowing him in the campaign.

Question. So the first time that you recall meeting him is when he was working in your office?

Answer. I mean, I don't recall the first time I met him. First time I ever dealt with him I probably was—other than in passing was when he was in the office.

Question. Do you know what his background was before he started working in your office?

Answer. No.

Question. Do you know who hired him?

Answer. No.

Question. Who was hiring people for the Personnel Office at that time?

Answer. Most of the people in the Personnel Office came from the transition, in fact, and were part of the transition personnel operation; and they simply came in as White House employees, if you will, once the President became President. Dick Riley was the Personnel Director during the transition. So, you know, he ultimately, I guess, would have been responsible. Whether he actually hired the people or not, I don't know.

Question. So Mr. Colon just sort of arrived on January 20th?

Answer. Again, I don't have any recollection of whether or not he was there before or came after. You know, if he went to work on the 20th, then most likely he came as part of the transition personnel operation. If he came later, again, we hired some people. Again, most of it was a downsizing, not increasing.

Now, obviously, there might have been people that we need who had particular background or expertise, but I don't remember whether he was one of those or not.

Question. Do you know how long he worked in the office?

Answer. No.

Question. And did a Gary Chrisopherson work in your office at that time?

Answer. Yes.

Question. In 1993?

Answer. Yes.

Question. And how did he come to work in your office?

Answer. I have no idea.

Question. And do you recall how long he was there?

Answer. He outlasted me. I think he was still there when I left. Again, as we downsized, he took on more and more responsibility and more and more agencies. But I think he was still there when I left.

Question. Did Maria Haley work in the office at that time?

Answer. Yes.

Question. And what was your understanding of what her responsibilities were?

Answer. She clearly predated me. I mean, she was there as part of the transition group. Again, she had certain areas that I can't recall today which departments or agencies she had, but she had a group of agencies and departments. She also helped with our outreach mostly to the Asian-American community.

Question. Did you have an understanding of her working on the campaign?

Answer. She is from Arkansas. I don't—I'm sure she was involved in the campaign in some way. I'm not quite sure what her role was in the campaign, whether she had a formal role or just simply was a supporter.

Question. And was Ginger Lu in the office at that time?

Mr. BALLEN. Excuse me, I'm having great difficulty hearing you. I'm not hearing most of the questions. If you could try to speak up a little bit.

Ms. COMSTOCK. Okay.

EXAMINATION BY MS. COMSTOCK:

Question. Was Ginger Lu in your office at that time?

Answer. At some—again, I don't know whether she predates my coming there or came after. But, yes, at some point she was in the office.

Question. And what was your understanding of what she did?

Answer. I don't—I believe she had several departments or agencies under her, but I couldn't tell you which ones they were.

Question. Do you know if she was involved in the Commerce Department at all?

Answer. Before she went there, I don't know.

Question. That is before she went to become General Counsel at the Commerce Department?

Answer. Yeah, at some point she became general counsel at the Commerce Department. I don't know whether she did Commerce Department before then or not. I was thinking that Maria at one point did the Commerce Department, but I don't—I'm not absolutely sure of that. There should be—there should be some sort of records within the Personnel Office that would show who had which agencies and departments.

Question. Do you know somebody by the name of Martha Watanabe, W-A-T-A-N-A-B-E, who worked in the Personnel Office?

Answer. No.

Question. Do you have any knowledge of her being involved in tracking in kind of Asian priority hires?

Answer. No.

Question. Do you know Melinda Yee?

Answer. Yes.

Question. And how did she come to have her position in the Personnel Office?

Answer. Again, I don't know. My speculation is that she would predate me, that she would have been there as part of the transition, but I don't know that for a fact.

Question. When you're saying that she predated you or somebody predated you, you mean they were involved in the transition and then just sort of everyone ended up in the Personnel Office or whoever had been involved in personnel throughout the transition ended up in your office?

Answer. Right. We had a transition personnel operation that was headed by Dick Riley that Jan Piercy was involved in, and I know Bob Nash was involved in that. Maria Haley, I know, was involved in it, and I believe a number of these other people were also involved in it. They, during the transition, began to put together a list of people for the Cabinet and the sub-Cabinet positions, mostly for the sub-Cabinet, because the President did most of the Cabinet from Little Rock, but for the deputies, secretaries, the assistant secretaries, and so forth.

When Dick Riley was named Secretary of Education, we then began looking for a new Personnel Director. Several people were considered; either had the good sense to turn it down or couldn't do it. Toward the end, I was named Personnel Director in addition to my other responsibilities. So I went in on January 20th into this operation, but into an operation that had basically been going on for two months prior to that period. And, so, most of the people who were there predated me and I simply inherited them, if you will. And then, when we moved into the White House, that entire operation, to the extent we had the slots for them, came with us. So they were there before I was there.

Question. When you started working on personnel, did you become aware of the DNC being involved in providing any lists of personnel who were "must hires"?

Mr. MURPHY. I'm sorry, "who were must hires?"

Ms. COMSTOCK. "Must hires." Put "must hires" in quotes.

The WITNESS. Yeah. We got lists—I don't know if I can tell you I recall seeing a DNC list. We got lists from everybody, you know, political, nonpolitical, ethnic, you know, whatever, any organization basically. And frankly, we sought it, too. I mean, if they knew the kinds of people we were looking for, if they had people they could recommend for that, we wanted as many names in our pool as we could to choose from. So we would receive, you know, lists from all sorts of people and organizations.

You know, whether I knew there was a DNC list, I don't know that I can tell you I recall seeing a DNC list. I would expect there to be a DNC list of people that they would be recommending, yes. The campaign had a list. Individual States have lists. Asian-Americans, African-Americans, Hispanic-Americans, all of these various organizations and groups provided us lists of people they thought we should consider.

EXAMINATION BY MS. COMSTOCK:

Question. Did there come a time where you received lists that had John Huang's name on it for hiring?

Answer. Again, I don't recall at the time. I would not have gotten the list. I've seen lists lately, you know, since all of this, with John Huang's name on it.

Question. You mean you've seen lists in the past few months?

Answer. Right.

Question. Or in the course of depositions elsewhere?

Answer. Right. I'm trying to remember the woman's name in California that sent a list of eight or nine Asian-Americans that she thought we should consider and John's name was on there. It is the one that I sort of specifically remember.

Question. Nora Lum?

Answer. No. She worked for the State Senate.

[Witness confers with counsel.]

EXAMINATION BY MS. COMSTOCK:

Question. March Fong Eu?

Answer. No.

Mr. BALLEN. Was this something you saw recently?

The WITNESS. Right. This is something that was out there in the last month or two. Probably on the Senate committee where she had a whole list of people and one person was John Huang. I remember seeing him on that list.

Ms. COMSTOCK. I'm sorry on what committee?

The WITNESS. Senate committee, your counterpart.

Mr. MURPHY. Counterpart across the Hill.

Ms. COMSTOCK. I didn't understand with the "I" instead of the "E".

The WITNESS. Anyway, I don't remember what the woman's name is, but I know she sent a list of 9 or 12 people that she considered to be priorities of the Asian-American committee and John's name was on that.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall independently, do you have a recollection of talking to anybody about John Huang in 1993?

Answer. Well, at some point in 1993, I must have talked with Gary Chrisopherson. But I don't—today, I don't recall doing that. I just know that, you know, he says he and I met and discussed John Huang in October or November of 1993, you know. But other than that, no, I don't recall.

Question. All right. And again, your knowledge of Mr. Chrisopherson is only from recent depositions or information you've gathered recently. You don't have an independent recollection?

Answer. I do not independently recall having a conversation in September, October, November of 1993 with Gary about John Huang. Though, if you look at the documentation and his testimony, we must have had that conversation.

Question. So you don't dispute his testimony as to your talking with him about——

Answer. No.

Question. John Huang in September-October '93?

Answer. No. I just don't recall it.

Question. Do you recall any previous conversations with anybody in the spring of 1993 about John Huang?

Answer. No.

Question. Did the Riadys ever talk with you about Mr. Huang in the spring of 1993?

Answer. I don't believe so, no.

Question. Did you have occasion to meet or visit with the Riadys in the spring of 1993?

Answer. Meet or visit. My sense is I think I remember passing them in the White House and saying "hello" to them. I don't recall ever having a meeting with them in that time frame.

Question. Do you recall Mr. Riady being in your office to make any phone calls in the spring of 1993?

Answer. In my office, no.

Ms. COMSTOCK. This is a document I believe we received from the White House. It just has a mark on the top of page 22. I'm not sure which production we got from the White House. I think this is one of the early-on productions. It is a Lippo Group letter, and it is to Bruce from James Riady.

Do you recall receiving this note from Mr. Riady?

Mr. MURPHY. Are we marking this as an exhibit, Ms. Comstock?

Ms. COMSTOCK. Yeah, I will. I just want to move along here.

The WITNESS. I don't recall getting this.

Mr. BALLEN. I'll note, for the record, there's no date on this document.

Ms. COMSTOCK. That is correct.

The WITNESS. It does refer to a trip to Tokyo, which I think occurred in June of '93.

Ms. COMSTOCK. Yes. I believe we have other White House records that indicate, I believe, Merriam Nemitz reviewed a number of visits with the Riadys. And I guess, from talking with people and looking at records, it was the White House's best estimate that this letter was at or around June of 1993 or sometime prior.

Mr. BALLEN. I'm going to object. If we're going to ask the witness questions and elicit the witness' testimony, that's fine. But I don't think we should be representing what other people have told us.

Ms. COMSTOCK. Well, I'll be happy to find the White House document indicating that. But I think the witness has indicated that this Tokyo trip, which is referred to here, is in June of '93, which was also the basis for the White House determining that's what they thought the letter was from. But if we could move on.

EXAMINATION BY MS. COMSTOCK:

Question. You don't recall getting this note from Mr. Riady?

Answer. No.

Question. The first line of it says, "Thanks so much for your kind help and attention."

You don't know what help or attention you may have given the Riadys in the spring of 1993?

Answer. No. I don't know—no. Other than I would speak to them and be, you know, pleasant I would hope.

Question. And the next sentence says, "Have a nice and successful trip in Tokyo, and God bless you."

The Tokyo trip was in June of 1993; is that correct?

Answer. I believe so.

Question. And was a trip the President went on?

Answer. Yes.

Question. Do you know were there any trade issues that you were working on in that trip in 1993?

Mr. BALLEN. I'm going to object as to relevancy whether Mr. Lindsey was working on trade issues. It is far afield from the campaign finance investigation we're supposed to be conducting.

The WITNESS. Do you still want me to answer?

EXAMINATION BY MS. COMSTOCK:

Question. Yes.

Answer. He's absolutely correct. I didn't work on trade issues. So if you're asking me whether there were any trade issues that I was working on, the answer is, no. If you're asking whether there were trade issues the White House was working on—I take that back, there is a trade issue I work on now. But I didn't at the time. If you're asking whether or not there were trade issues the White House worked on, I have no idea.

And I'm trying to remember what the purpose of the Tokyo trip was. I'm having trouble even doing that. It may have been a G-7 meeting.

Question. In the spring of 1993, were you aware of anyone from the Riady family expressing their views on trade issues to anybody at the White House?

Answer. No.

Question. So you were not aware of Mr. Mochtar Riady or James Riady writing to the President regarding any trade issues regarding MFN or Vietnam or anything like that?

Answer. Not at the time, no. I've seen the letter again—after all this came out, I saw the letter that Mochtar Riady wrote the President, but I was not aware of it at the time.

Question. And that letter was regarding trade issues; is that right?

Answer. I don't recall.

Question. When did you first meet either James or Mochtar Riady?

Mr. BALLEN. Excuse me. I'm going to note, for the record, Mr. Bossie of the Majority staff has entered the room.

Mr. MURPHY. I was going to object and say that's a compound question.

EXAMINATION BY MS. COMSTOCK:

Question. Have you ever met Mochtar Riady?

Answer. Yes.

Question. When did you first meet him?

Answer. First and only time I met him was in Indonesia.

Question. And when was that?

Answer. November of '94.

Question. And that's the only time that you ever met Mochtar Riady?

Answer. That I recall, yes.

Question. When did you first meet James Riady?

Answer. Don't know. The first time I recall meeting him I believe was probably in the campaign of '92. Though, it is possible that I was introduced to him at some point in Arkansas when he was there. Though, I had no dealings with him. It would have simply been that he and I were at the same spot at some point and someone introduced us. I don't recall that, but it certainly would be possible.

Question. Were you aware of the Riadys donating large amounts of money to the DNC in 1992? Did there come a time when you learned that they had made large contributions to the DNC?

Answer. I don't quite know what you mean by "large contributions." I knew that the Riadys were supporters of the President. Now, you know, I had——

Question. Hundreds of thousands of dollars?

Answer. Again, I had nothing to do with the DNC in 1992, so I wouldn't have known who contributed to the DNC in 1992. And whether I—you know, I mean, whether I've seen stories about how much they contributed over the years to the

DNC or to other Democratic groups, it would all be from probably newspaper and those sorts of articles, not from personal knowledge.

Question. So, in 1992 or 1993, you didn't have any knowledge of the Riadys having contributed to the President's campaign?

Answer. Again, I knew they were supporters of the President. And to the extent that—I would assume, to the extent that they could, they would have contributed to the campaign. But of course, that's a fairly limited amount that you can contribute to a Federal campaign, and it is only in the primary.

Question. Did you have any knowledge of them contributing to State parties?

Answer. No.

Question. Did you have any knowledge of them making large contributions to the Arkansas Democratic party in 1992?

Answer. I don't think so.

Question. So this document, which I'll mark as Deposition Exhibit Number 1, the Lippo Group note from Mr. Riady, you have no recollection of what this is about?

[Lindsey Deposition Exhibit No. BL–1 was marked for identification.]

[Note.—All exhibits referred to may be found at end of the deposition.]

Mr. BALLEN. I'm going to object. That's the third time the witness has been asked the same question. He's testified three times already he has no recollection. I doubt his answer is going to change on the fourth time.

Mr. MURPHY. I'll join in that objection. Is this a copy we can keep?

Ms. COMSTOCK. No. Actually, our documents we have to keep.

Mr. MURPHY. I don't get a copy? I object.

Ms. COMSTOCK. This is a document from the DNC, which was a memo to Chairman Wilhelm from Vida Benavides regarding an APA Must Place List. It is an Asian-Pacific American must place list. It is Bates-stamped F 31769 through 71.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall ever seeing any list such as this in the Personnel Office?

Answer. No.

Question. And directing your attention to the second page, the Commerce Department lists John Huang as a DAS for Asia, Shan Thever serve as a DAS for Africa, and T.S. Chung for export/import.

Do you recall any of those individuals being discussed as "must hires" in the Personnel Office?

Answer. No. I mean, I don't recall anybody being discussed as a "must hire." The fact of the matter is, again, I was not—the way the process worked was that social directors would cull the various lists when there was a position, meet with others, meet with groups, they would formulate a recommendation, which would work its way ultimately to me, and I would receive a decision memo.

If it was a DAS, which would be not a Senate-confirmed position, then I would sign off on the memo. If it was an assistant secretary, a deputy secretary, an under secretary position, or one that required Senate confirmation, if I concurred, I would forward it to the President and the President would have to sign off on it.

But I would not be involved in any, if you will, sort of internal vetting and discussion of the candidates. That would all be done by the associate directors before it ever would get to either the deputies or to me.

Question. What was your understanding of how that process worked for John Huang?

Answer. Same way I just described. Again, most of this is after the fact, listening to Gary Christopherson's testimony, but that he met with a group of people to discuss various positions and John's name came up, that they considered him to be qualified; that on the one position they offered him—you know, there are other positions he was considered for that he did not get—that on the position that he ultimately took that they had made a recommendation, that that recommendation went to me, that, according to Gary, I concurred in it. We had a problem with the timing and it was delayed, and ultimately Phil later signed off on it because it was delayed until after I left Personnel Operation.

Mr. BALLEN. Mr. Lindsey, is this in your own personal recollection?

The WITNESS. No, this is none of my recollection. This is Gary Christopherson's testimony.

Mr. BALLEN. Well, I think the committee is capable of looking at someone else's testimony, and I think both Majority and Minority counsel would like to ask you to restrict your testimony to your own personal knowledge.

Ms. COMSTOCK. Well, he's explaining whose knowledge it is. So I think that's clear from the record that we did in opening ask you for any knowledge of this.

Mr. BALLEN. What is the point of the preamble, then, which tells him that he should not speculate?

Ms. COMSTOCK. The preamble discusses what the basis of his knowledge is, what he's telling us.

Mr. BALLEN. I'm going to object to any recounting by the witness of newspaper articles, testimony of other people, or anything along those lines. The witness is here to testify as to his own personal knowledge and recollection. We're perfectly capable of reading the newspapers ourselves.

Ms. COMSTOCK. Well, it is also of some assistance that the witness does not dispute cross accounts. So even though he is indicating he doesn't recall these things, he doesn't dispute or deny that things occurred, which is of some assistance to the committee in determining how these matters occur.

Mr. BALLEN. But he doesn't recall them, so to ask him to recount someone else's testimony, I think, is unfair to the witness and unfair to the members of the committee.

Mr. MURPHY. Let's move on. Mr. Lindsey, in the future I think if you're going to testify about something that you only know from having seen someone else's testimony or read something in the newspaper and the like, just let us know that right at the start.

The WITNESS. I thought I had, but okay.

Mr. MURPHY. I thought you had, too.

Ms. COMSTOCK. I think he did.

I will make this APA must place list Deposition Exhibit Number 2.

[Lindsey Deposition Exhibit No. BL–2 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a document from the White House, EOP 48876 through 77, which is an Asian Pacific American Must Consider Recommendations to the Clinton Administration, submitted by Doris Matsui, with Maria Haley and Melinda Yee. Melinda Yee's name is on the second page as well as John Huang's.

Do you recall in general discussing John Huang with any of these individuals, Doris Matsui, or actually I want to go through each individual. Do you recall discussing John Huang with Doris Matsui?

Answer. No.

Question. Or with Maria Haley?

Answer. No.

Question. Or with Melinda Yee?

Answer. No.

Question. It was your understanding Melinda Yee was working in the Personnel Division, that she would have been one of these persons who was working on preparing the material for somebody such as Mr. Huang?

Answer. I don't understand that question.

Question. When you had previously testified that there were others of your staff beneath you that were putting together the material and you weren't involved in some of the details, was Melinda Yee one of the people?

Mr. MURPHY. I think he said one of the people involved in putting together lists of people to be considered for positions.

It was your understanding that Melinda Yee was one of those people involved in putting together lists of people?

The WITNESS. Well, I don't recall Melinda Yee's position was within the personnel operation. I don't remember whether she had her own agencies and departments or whether she worked under one of the associate directors who had an agency or department. So, again, you know, I think I knew that Melinda Yee was involved in Asian outreach and therefore would help to identify Asian-Americans for consideration. But whether or not she did that in addition to having specific departments and agencies that she was responsible for, I don't recall.

EXAMINATION BY MS. COMSTOCK:

Question. And the same question for Maria Haley. Do you recall if she was involved with preparing lists?

Answer. Again, Maria Haley had, I do know, had specific departments and agencies that she was responsible for, and therefore she was responsible for making recommendations ultimately to me and to the President with respect to her agencies and departments. You know, she also being Asian-American was concerned about

Asian-American outreach and so I assume she also helped identify qualified Asian-American candidates.

Question. Do you recall having any conversations with her about John Huang?

Answer. You asked me that. No.

Question. Make that deposition Exhibit Number 3.

[Lindsey Deposition Exhibit No. BL–3 was marked for identification.]

The WITNESS. Just in order would reflect—you asked me earlier whether Melinda Yee was there before I was and this would reflect she was.

EXAMINATION BY MS. COMSTOCK:

Question. This is an August 27th, 1993, memo to John Emerson from David Wilhelm regarding Asian Pacific American administration appointments. And attached to it is a list of Asian Pacific Americans who are interested in being considered for positions with the administration. And I believe Mr. Wilhelm asks that a staff person contact Martha Phipps, who was a staffer in his office, with the status of the applications of the various people who are listed on here.

Were you aware of John Emerson ever talking to anyone at the DNC about any of the people on this list, if you'd like to take a chance to review it?

Answer. Again, the answer is do I know that he did? The answer to that is, no, I did not. Would I expect that he would be involved partially because of what his position was with talking to all sorts of groups about all sorts of people? The answer is probably. But I don't know that I ever knew he talked specifically to the DNC about any personnel matter.

Question. And directing your attention to the last page of the document, which is F 31768, it mentions John Huang and it mentions that he is a DNC trustee and major fund-raiser. Did you often get recommendations that indicated that people were trustees or major fund-raisers?

Answer. I have no idea. Again, I don't know if I ever got—I don't think I ever got this document so, you know.

Question. I'm just wondering in general, if you recall, getting recommendations that included the people who were DNC trustees or major fund-raisers?

Answer. Again, if you're asking me whether I can recall specifically, the answer is, no. Would I expect someone to reflect if he was a DNC trustee or a major fund-raiser either on a resume or in a letter, yes, I would think that if that was part of their background and involvement in the Democratic Party and involvement in the Presidential election, that that—that they would reflect that.

Do I recall specifically? Can I tell you any person that I remember seeing that on? The answer is, no.

Question. And it also indicates here that under John Huang, it says, quote, "needs extra push for Deputy Assistant Secretary position for the East Asia and Pacific." Do you recall any discussion of John Huang needing an extra push or anything like that?

Answer. No.

Question. Do you have any knowledge on or around the summer of '93 of there being any reluctance to hire Mr. Huang at the Commerce Department?

Mr. MURPHY. At the Commerce Department?

Ms. COMSTOCK. Or hiring him for a position in the administration in general?

Mr. MURPHY. Are you asking about any reluctance on the parts of anybody?

Ms. COMSTOCK. Yes. It says he—I'm just wondering if in general if you recall any reluctance to give him a position?

The WITNESS. Specifically to John Huang, no.

EXAMINATION BY MS. COMSTOCK:

Question. Did there come a time when you became aware that there were people at the Commerce Department who didn't feel that Mr. Huang was qualified for the positions he was being considered for?

Answer. At the time? No.

Question. Did you ever talk to Martha Phipps at the DNC about any of the individuals listed on this memo?

Answer. I doubt it. No, I mean not that I recall.

Question. Were you involved in the appointment of March Fong Eu?

Answer. To ambassador?

Question. Yes.

Answer. Yes.

Question. Could you just tell us who had recommended March Fong Eu for this position?

Answer. I have no idea. I mean, you know, she was again either recommended to me or was on a list. Most of the people who got to be ambassadors were sort of self-suggested. They would contact us and indicate that they would like to be considered to be an ambassador, and they would indicate to us sort of where they would be interested in serving. You know, we would then review the list of ambassadorial appointments and make a judgment as to, you know, who we would recommend or who the President would recommend for the various embassies.

Question. Were you aware of March Fong Eu being involved in fund-raising in 1992?

Answer. I know that March Fong Eu was a supporter of ours in California. Whether or not it was fund-raising or political support, I don't think I knew.

Question. I'll make that deposition Exhibit Number 4.

[Lindsey Deposition Exhibit No. BL–4 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is EOP 004234 through 36, which is a memo to Jan Piercy and John Emerson, which I believe you indicated were Deputies at that time, from Maria Haley regarding Asian Pacific Americans. It is a March 11th memo and it is cced to you and then it is attached to a March 10th, 1993, memo to Maria Haley from Melinda Yee.

Do you recall receiving this memo?

Answer. No.

Question. I'm directing your attention to the last page. John Huang is listed on here. And on page 4235, the second page of the document, the memo to Maria Haley from Melinda Yee, reads "Per your conversation with John Emerson and Jan Piercy on March 2, the following Asian Pacific Americans were extremely helpful, dedicated and involved during the campaign and/or transition." It says, "All are sponsored internally by Doris Matsui, you, and me."

Does that refresh your recollection as to who may have recommended John Huang to you?

Answer. You showed me the November '92 document. I mean I have no recollection other than you just showed me a document that showed that Doris Matsui, Maria Haley and Melinda Yee recommended John Huang plus——

Question. But this document in particular, it was cced to you?

Answer. No, I don't recall seeing this document.

Question. Okay. And then directing your attention back to the last page where it mentions John Huang. It mentions he is currently Vice Chair of Lippo Bank. It says, "met in meetings with BC several times." I'm assuming BC is Bill Clinton. And then it says, "close to many Senators and Members of Congress and co-host of Asian Pacific American fund-raiser during campaign in Los Angeles."

Did you have any knowledge about John Huang being in meetings with the President? And this is any time prior to this March 11th, '93 memo.

Answer. You know, yeah. I don't know if I have specific knowledge of John Huang being there. We had tons of meetings in California with Californian supporters all during the '92 campaign, and do I think John Huang probably attended some of those meetings? Yes.

Do I recall him attending them? No. But you know, I found it, you know, I had—I would believe that he probably—he was a supporter of ours and I would believe that he did attend meetings we held in California throughout the '92 campaign.

Question. Do you recall when you first met John Huang?

Answer. I think I first met John Huang in the '92 campaign.

Question. And at that time did you have knowledge of the President being a long-time friend of John Huang?

Answer. I'm not sure I have—a long-time friend is not the way I probably would do it. The answer probably is, no. But I mean I'm not sure that I would characterize Clinton's relationship with John Huang prior to that as being friend as opposed to acquaintance. But the answer is I probably did not know about the President's relationship either way with John Huang at that time.

Question. Well I'm using the President's words, actually, on July 22nd, 1996. At a fund-raiser, the President had described Mr. Huang as "my long-time friend." I think "my long-time, good friend, John Huang." Do you have any reason to dispute the President's description of his long-time friendship with Mr. Huang?

Mr. MURPHY. Objection. When did the President say——

The WITNESS. Ninety-six.

Ms. COMSTOCK. Ninety-six. It was "long-time friend."

Mr. BALLEN. I think that is a very unfair question. The President makes a statement in a fund-raiser about someone and now you're going to ask the witness does he dispute the President's characterization.

EXAMINATION BY MS. COMSTOCK:

Question. Do you have knowledge that the President was friends with him before '92 or long-time friends between '96 and back to '92?

Answer. Again, you're asking me whether I knew in 1992 that they were long-time friends. I said I would have some question as to whether or not that would describe the relationship before 1992. I don't think using—again, I don't think using a quote in '96, 4 years later to describe the relationship at that time would necessarily describe the relationship prior to 1992. But the answer is, you know, in 1996, would I believe that Bill Clinton and John Huang were friends? Yes. In 1992, did I know that Bill Clinton and John Huang were long-time friends? The answer is, no.

Question. Did something happen between '92 and '96 to make you think that they were long-time friends?

Answer. Four years in which I knew they had a relationship transpired.

Question. And what was that relationship, well, he appointed him in 1993. In 1995, he indicated he wanted to go to the DNC. He went to the DNC. He was involved with much of the campaign fund-raising, and in the first half of 1996 a lot happened between 1992 and '96 that would allow an acquaintanceship to Bill, a friendship.

Question. Okay. And could you just describe generally the growing friendship, then, of Mr. Huang with the President between '92 and '96?

Answer. I just did, I thought. I mean, you know, at least from my point of view, I saw the President and John Huang interact—I saw them interact none prior to 1992. I saw them interact, you know, on six or seven occasions between 1992 and June or July or August of 1996. So if you're asking, you know, you know, I don't know how many times they had met or seen each other prior to 1992.

I think I met John Huang for the first time in 1992. I knew he worked with the Riadys. I knew the Riadys had a relationship with Arkansas. But beyond that, I didn't know much or anything about Bill Clinton's relationship with John Huang.

Mr. BALLEN. Mr. Lindsey, during the time from 1992 to '96, was John Huang a close personal advisor or close policy advisor to the President of the United States?

The WITNESS. No. No. Again, he probably saw him, y'all have the records better than I, three or four or five times in the first 3 years of that 4-year period, and in the fourth year to the extent that he was involved in fund-raising activities and the President attended fund-raisers, they probably saw each other more. But as a policy advisor during any of that period, I don't believe John was a policy adviser.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of Mr. Huang being involved with a group called APAC, Asian Pacific Advisory Council?

Answer. No.

Question. Do you have any knowledge about APAC fund-raising in 1992?

Answer. No.

Question. Do you know a woman named Nora Lum?

Answer. I know who she is. You—they, I don't know her. I may have met her on occasion, but I don't know her.

Question. Do you recall meeting with her?

Answer. No.

Question. Do you recall her meeting with you in the spring of 1993?

Answer. No.

Mr. MURPHY. Isn't that the same question?

EXAMINATION BY MS. COMSTOCK:

Question. So you have no recollection of any of the——

Answer. I know that she attended a meeting with other people in the Asian Pacific American community that was, you know, that may have been with me, they may not have been with me that I may have had John Emerson go to in my place. If I went, then I met her, I assume, if she was in that meeting.

Do I recall Nora Lum versus anybody else in that meeting? The answer to that is, no. I don't even recall the meeting.

Ms. COMSTOCK. I'd like to make this March 11th, 1993, memo Deposition Exhibit Number 5.

[Lindsey Deposition Exhibit No. BL–5 was marked for identification.]

Ms. COMSTOCK. And this is EOP 2153 through 154. It is an April 19, 1993, memo to the President through Bruce Lindsey from Gil Colon and Maria Haley, and the subject is Associate Deputy Administrator for Business Development at the Small Business Administration, and it is discussing a position for Mary Leslie.

In paragraph number 2 it notes that it should be noted that there is another qualified candidate for this position, Mr. John Huang.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall this memo?

Answer. No.

Question. You mentioned previously that memos to the President only went on certain levels of appointment; is that correct?

Answer. Correct.

Question. And they would stop, though, with you before they went on to the President. Would that be—if Gil Colon and Maria Haley wrote this memo to the President without you having reviewed it before it went on to the President?

Answer. Yes.

Question. Okay. But you don't recall ever reviewing this?

Answer. No.

Question. Do you recall being involved in Mary Leslie's selection?

Answer. No. I mean, you know, I knew Mary Leslie. I knew Erskin wanted Mary Leslie to be at the SBA. Whether I recall this memo or anything, Erskin was the designated head of the SBA and Mary Leslie was his choice, and I would not have opposed that. I would have been inclined to give him who he wanted.

Question. We were just discussing Nora Lum, whom you said you didn't know. Do you recall when Gil Colon, I guess, left the Personnel Office, did he go to the Commerce Department to work?

Mr. MURPHY. Objection to the preface of that question. What does Ms. Lum have to do with the question?

Ms. COMSTOCK. We'll get to that in a moment.

Mr. MURPHY. Why don't you just ask the question. The question is whether Mr. Colon went where?

EXAMINATION BY MS. COMSTOCK:

Question. Do you know if Mr. Colon was going to work for Nora Lum at Dynamic Energy?

Answer. No.

Question. Do you know when Mr. Colon did, indeed, leave the Personnel Office?

Answer. At some point, yes.

Question. Do you recall him telling you where he was going to work?

Answer. No. I thought Gil Colon went to the Minority Business Section of, maybe, Commerce.

Question. And did you have—did you keep in touch with him when he went there?

Answer. I don't think so.

Question. Do you know of anyone in your office keeping in touch with him?

Answer. No.

Question. Do you know of anyone in your office keeping in touch with him when he was at Dynamic Energy.

Answer. I don't think that he was ever at Dynamic Energy.

Question. But you have no knowledge of anybody in the Personnel Office communicating with Gil Colon?

Answer. I left the Personnel Office in November of '93. Are you telling me he went to Dynamic Energy before then?

Question. I'm asking if you have any knowledge.

Answer. You asked me whether anybody in the Personnel Office—I wasn't in the Personnel Office. You said in my office. And the answer——

Question. No, he went there after November of '93.

Answer. Then if he kept in touch with someone in the Personnel Office, they were not in my office.

Question. Did you have any reason to keep in touch with Mr. Colon?

Answer. No.

Mr. MURPHY. Can we take a break?

Ms. COMSTOCK. Yes. Before we go off the record, why don't we make this April 18, 1993, memo Deposition Exhibit Number 6.

[Lindsey Deposition Exhibit No. BL–6 was marked for identification.]

[Recess.]

Ms. COMSTOCK. We're back on the record.

EXAMINATION BY MS. COMSTOCK:

Question. This is a document from the White House that was prepared—I believe the Counsel's Office by someone, which goes through Nora Lum's WAVEs into the White House, and it's—directing your attention to March 8, 1993. It has—it lists your name there.

Mr. BALLEN. Excuse me, counsel, could I ask the origins of this document?

Ms. COMSTOCK. It's from the White House.

Mr. BALLEN. Do we know who prepared it, because usually WAVE records come in a computer printout.

Ms. COMSTOCK. I think we have theirs also, but this was Counsel's Office had prepared these various versions.

Mr. BALLEN. So it could be a draft. We don't know the accuracy, do we?

EXAMINATION BY MS. COMSTOCK:

Question. Do you recognize the handwriting?

Answer. No.

Question. Okay. But you do not recall that meeting with Nora Lum in March 1993 other than what you testified to?

Answer. Correct.

Question. And then on March 23—it lists Haley there. Do you have knowledge of Nora Lum meeting with Maria Haley?

Answer. No.

Question. And then on March 29 it lists Yee. Do you have any knowledge of Nora Lum meeting with Melinda Yee?

Answer. No.

Question. And then there are a number of other visits with Melinda Yee. You don't have any knowledge of Nora Lum ever meeting with Melinda Yee?

Answer. No.

Question. You had said you thought you met John Huang in 1992. Do you recall where you met him?

Answer. No.

Question. Do you recall generally if you met him in California?

Answer. No. I mean, I don't recall. I mean, he worked in California so that it would be logical, but I don't recall.

Question. Okay, so you have no general recollection of how or where you met John Huang?

Answer. No. And I say '92, it could have been '91. It was the '92 campaign, but it could have been sometime after we began campaigning for the Presidency in October of 1991.

Question. And is there a time when you met with John Huang that you recall the meeting?

Answer. No, I don't think I ever met with John Huang individually, I mean, so, you know, again——

Mr. MURPHY. You mean during the campaign?

The WITNESS. I only met with him, I think, once, frankly. Um—maybe once, maybe twice, period; but I don't remember any time during the campaign meeting with him specifically.

EXAMINATION BY MS. COMSTOCK:

Question. Okay, and what are the one or two meetings that you recall meeting with him?

Answer. Yes, I mean, obviously one of them was the meeting with the President in whatever the year was—what was it? October of '95?

Question. So you were at the September 13, 1995 meeting with James Riady and Mr. Giroir and the President?

Answer. Right, and John Huang.

Question. And that was September 13——

Answer. September 13, 1995.

Question. And we'll return to that later.

Answer. Yeah, but I'm trying to—that may be the only time I ever met, you know, with John that I recall.

Question. Okay.

Answer. Oh. I take that back. I met with him 3 days, 2 days later in my office to follow up on that meeting.

Question. On September 15, 1995?

Answer. Whatever. You know the date better than I do, whatever the date is.

Question. All right, okay. But you had no—would it assist your recollection on Nora Lum for me to tell you that Gil Colon, John Huang and Melinda Yee and Maria Haley all had done some work with APEC in California in 1992?

Answer. No. I mean, help me. In what way?

Question. Just wondering if that could help assist you in placing when you may have met any of these people, because all of they these people worked in California on APEC in 1992, and a number of them, Melinda Yee and Maria Haley and Gil Colon all end up in the Personnel Office in your office, and then one of the people they recommend is John Huang, who was somebody who also worked in there, and then Nora Lum is coming in for meetings with these various people. I'm wondering if——

Answer. Sounds like they all had a relationship with each other.

Question. But you had no knowledge of those relationships?

Answer. No. I mean, you know, we did events in the Asian community, you know, in California. Again, you know, whether—you know, whether John was at those events or not—you're asking me whether I recall whether he was at those events. I don't recall. Was he probably at some or all of those events? The answer probably is yes, but if you're asking me whether I recall seeing him, talking with him, and having a specific memory of it, the answer is no.

Question. Did Ron Brown ever talk to you about John Huang?

Answer. I don't think so. Not that I recall.

Ms. COMSTOCK. Mark this Deposition Exhibit Number 7, Nora Lum, chronology of visits.

[Lindsey Deposition Exhibit No. BL–7 was marked for identification.]

Mr. BALLEN. Purported chronology of visits, because I object to—we have the actual WAVEs records. We should be introducing those into evidence rather than——

Ms. COMSTOCK. I'll be happy to get those for the record also.

Mr. BALLEN. That would be preferable.

Ms. COMSTOCK. Apparently we're not—we just have these summaries from the White House.

It is a White House document.

Mr. MURPHY. It's got an EOP stamp on it.

Ms. COMSTOCK. Yes.

Mr. MURPHY. So unless somebody else is stamping things EOP, it——

Ms. COMSTOCK. No.

Mr. MURPHY.—came from the White House.

Ms. COMSTOCK. You're correct.

Mr. BALLEN.—announce that for the record I'm going to note that the Secret Service provides——

Ms. COMSTOCK. They don't provide us with WAVE records, they provide us with exits and entrances, and at that time the Secret Service in 1993 and 1994 did not do exits and entrances for visitors. That did not begin until June of 1995. So the Secret Service is not able to provide us with any of Nora Lum's visits prior to 19—the summer or thereabouts of 1995.

Mr. MURPHY. Is there a question coming?

Ms. COMSTOCK. I'm just correcting the record.

I'm showing the witness a letter to James Riady from Vernon Weaver, which is HHH 3958.

EXAMINATION BY MS. COMSTOCK:

Question. It's a May 19, 1993 letter from Vernon Weaver to James Riady, and directing your attention to the second paragraph, it says, "We have heard nothing from the White House yet on the Indonesian appointment, although we are keeping up the pressure."

Do you have any knowledge of Vernon Weaver talking to you about any appointments—any Indonesian appointments?

Answer. No.

Question. Do you have any knowledge about any interests that the Riadys had in any Indonesian appointments in 1993?

Answer. Do I now have knowledge?

Question. Did you then, and then I'll——

Answer. The answer is no.

Question. Do you now have knowledge of the Riadys having interest in Indonesian appointments?

Answer. Appointments, no.

I'm sorry, when you say, do I now have knowledge what were you—you said "appointments" with an S. I believe this refers to them trying to get a meeting with the President and the President of Indonesia.

Question. This is regarding the meeting with Suharto and the recommendation for the meeting with Suharto——

Answer. If I was reading this, that's what I would read in that, not personnel appointments. But again, it's just from reading it. It's the way it's written, it's what the words are. I don't think it has anything to do with personnel appointments.

Question. And were you aware of them putting some pressure for the President to meet with Suharto?

Answer. Was I then? No.

Question. And when did you learn that they did?

Answer. I don't know that they did. I know that there's an issue. As to whether they raised it with the President, that I've learned in the last 6, 7 months.

Question. But you had no knowledge of it then?

Answer. No.

Question. And what is your knowledge of it now, just what you've read in the paper; is that what you're suggesting?

Answer. Yes.

Question. Have you discussed that with anybody at the White House?

Answer. No. Within the Counsel's Office maybe.

Question. And who have you discussed that with?

Answer. You know, probably everybody in trying to pull together whatever documents we had with respect to, you know, whether or not they saw the President, what they talked to the President about, you know, all in response to your all's subpoenas.

Question. And what did you learn about the attempts of the Riadys to meet with the President or get——

Answer. I didn't learn anything about the attempts. I learned that there was a photo op at some time prior to us going to Tokyo, and there was a question as to whether or not—during that photo op they raised with the President whether or not he was going to meet with Suharto. I think I've read the President has indicated that if he met with them before that, he thinks that they may have, although he doesn't recall, and, you know, everything I know has basically come from the newspapers.

Question. Have you ever discussed this with the President?

Answer. No.

Question. You've never discussed any of the meetings the President had with the Riadys with the President?

Answer. I was in two of them, but, you know, I don't know if I ever discussed independently of being there other than, you know—but, you know, I don't know that I've ever discussed with the President because I wasn't there, and my understanding is he doesn't recall whether or not he—whether the Riadys mentioned to him meeting with Suharto.

Question. But I'm asking you about this April photo op and then the Suharto discussion, if you've ever discussed that with the President.

Mr. MURPHY. Objection.

Do you want to answer that?

The WITNESS. I think—you know——

Mr. MURPHY. I think that's a privileged communication. To the extent that Mr. Lindsey had a conversation with the President, it's privileged.

Ms. COMSTOCK. Would you like to consult with the White House on that?

Mr. MURPHY. Well, they're not here.

Ms. COMSTOCK. Have you talked with—I mean, is that a position of the Counsel's Office that the President wants to claim executive privilege over conversations that you had with him about discussions with the President involving Mr. Riady?

The WITNESS. I don't know what the White House position is on that.

Ms. COMSTOCK. Well, I'm not—the White House hasn't informed us that they were intending to claim executive privilege over any conversations that the President had about Mr. Riady. If we could—if you would like to call Mr. Ruff and clarify that for the record——

The WITNESS. Do you want us to do it now?

Ms. COMSTOCK.—because there might be other questions as we go along. So we can go off the record.

[Discussion off the record.]

Ms. COMSTOCK. Go back on the record.

Mr. Lindsey has called Chuck Ruff, the White House Counsel, while we were off the record.

The WITNESS. Right. And Mr. Ruff informs me—he says that these sorts of conversations give rise to serious executive privilege concerns; that at this time I should not respond, and that he will be happy to discuss it with you after the deposition.

Mr. MURPHY. Well, given that advice from White House Counsel, Mr. Lindsey is not free to answer the question.

Ms. COMSTOCK. Okay. I would ask that the reporter please mark the question and the instruction to this witness and prepare an index of the page at which each instruction is given to this witness not to answer such questions, because we will have other questions about any discussions you had with the President about Mr. Riady or Mr. Huang.

Ms. COMSTOCK. Could we take a break for just a minute?

[Discussion off the record.]

Mr. MURPHY. After consulting with Mr. Lindsey, let me just inform you that it's my understanding that the conversation with the President to which Mr. Lindsey made brief reference was a conversation in anticipation of an interview with the New York Times about the subject that you were inquiring about. And Mr. Lindsey, I think, would be free to say that what Mr. Clinton had to say about this subject to the New York Times was consistent with what Mr. Lindsey and the President discussed in advance of the New York Times interview.

We don't have any problem with Mr. Lindsey talking about things that the President disclosed to the New York Times, obviously. So if it sort of short-circuits a major constitutional crisis here, we can do that by Mr. Lindsey confirming that what the President recalled as he recalled it to the New York Times about the subject of the Suharto meeting or the efforts on the part of the Riadys to have President Clinton agree to meet with Suharto—basically Mr. Lindsey would say that what the President said to the New York Times about that subject is consistent with what the President also told Mr. Lindsey about that subject.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. Well, why don't we skip the New York Times as the middleman now, and if you could just tell me what the President had said to you?

Mr. MURPHY. I don't want Mr. Lindsey to do that because I think it's important that we recognize that the reason why Mr. Lindsey may be free to talk about the subject is because it's a subject that the President has disclosed to the public.

Mr. BALLEN. And I also like to put on the record the Minority's view on this, which is that had White House counsel been permitted to be in this deposition, we could work—as they were in the Senate depositions, we could work out these issues of executive privilege to everyone's satisfaction without taking long breaks. And I think that's unfortunate that White House counsel is not here——

Ms. COMSTOCK. I don't think we had to take a long break at all. Mr. Lindsey was able to reach Chuck Ruff very quickly.

Mr. BALLEN. It took 10 minutes.

Ms. COMSTOCK. It wasn't—we did not take a break for that issue.

Mr. MURPHY. Well, be that as it may, Mr. Lindsey was able to reach Mr. Ruff quickly, which is fortunate, but in any event, I've told you what I told you, and if you want to follow up on that, you're free to do so.

EXAMINATION BY MS. COMSTOCK:

Question. I'd like to ask you what the conversation was you had with the President prior to the New York Times article, if that's the conversation you had with the President?

Answer. Again I'm not—you know, I'm not prepared today to talk about a conversation I had with the President that arose after these issues, you know, came up and that I believe with—in my role as a member of the Counsel's Office. I will say what Bill said, which is what he told me was consistent with what he told the New York Times.

Ms. COMSTOCK. Okay. Well, I think we'll probably be returning to the New York Times article, but I would still ask the reporter to mark the question and instructions to this witness and to prepare an index at that page so that we can return to that at a later date or time.

EXAMINATION BY MS. COMSTOCK:

Question. Is that the only such conversation you had with the President—this conversation prior to the New York Times article, is that the only conversation you had about the April meeting——

Answer. Yes.

Question. That the President had with the Riadys?
Answer. Again, I don't know if I could characterize it as a meeting, but yes.
Question. Okay. Returning to the May 19, 1993 letter, the second sentence in the second paragraph reads that "I believe that a decision should be made in the next 3 or 4 weeks so it may be time to get John Huang involved again."
Do you know what involvement John Huang had——
Answer. No.
Question. With the meeting regarding Suharto?
Answer. No.
Question. Or do you have any knowledge of John Huang being involved in any matters that the Riadys or the Stephens Group were trying to bring to the attention of the White House?
Answer. No.
Mr. BALLEN. Mr. Lindsey, have you ever seen this document before?
The WITNESS. No, sir.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. Do you know Vernon Weaver?
Answer. Yes.
Question. How long have you known Mr. Weaver?
Answer. Oh, I probably met him prior to 1993, but I don't think I really knew him until '94 or '95.
Question. And how did you come to know him?
Answer. Well, at one time we lived in a apartment at the Watergate, and he also had a apartment at the Watergate, and we were at the pool together.
Question. Okay. And were you friendly with Mr. Weaver; do you go out on social occasions?
Answer. I don't know that I've ever been at a social occasion with Mr. Weaver, so, you know, I mean, we were friendly, passing friendly, but not social friends.
Question. And were you aware of his work with the Stephens Company?
Answer. Yes.
Question. And did he have occasion to visit the White House or discuss any matters with you about Stephens?
Answer. Yeah, but I don't know the answer to the first part. The answer to the second part is no, he never discussed any matters with me.
Question. Are you aware of him discussing any matters related to Stephens with anyone else at the White House?
Answer. No.
Question. Did you have any involvement in his appointment as Ambassador?
Answer. No.
Ms. COMSTOCK. Can I make this Deposition Exhibit Number 8?
[Lindsey Deposition Exhibit No. BL–8 was marked for identification.]
Mr. BALLEN. What about the second page? There's two pages stapled together. So that's also part of the——
Ms. COMSTOCK. The first page referred to the second page, so that's—even though—didn't question the witness about it.
Mr. BALLEN. For the record sir, have you seen either of the pages of the exhibit?
The WITNESS. No, sir.

EXAMINATION BY MS. COMSTOCK:

Question. September 23, 1993 letter to John Huang from March Fong Eu. And in it Miss March Fong Eu discusses that, White House sources have confirmed I have been nominated as United States Ambassador to Micronesia following routine clearances.
Can—you previously said that you had been involved somewhat in March Fong Eu's appointment. Could you tell us what your involvement in that was?
Answer. I was part of a group that met to discuss ambassadorial appointments.
Question. Did you meet with March Fong Eu at any time?
Answer. No.
Question. Do you recall discussing her with the President?
Answer. Do I recall specifically? No.
Question. Do you have any general recollections of who you discussed her appointment with?
Answer. Well, I'm sure that her appointment came up with the President as we were discussing who to a point. I don't recall specifically it coming up, but it would have had to come up as part of our discussions on ambassadorial appointments.

Question. Okay, and directing your attention to the second paragraph she writes to Mr. Huang, "I want you to know how much I appreciate your support in this lengthy appointment process. I am truly honored to have had the benefit of your endorsement."

Are you aware of John Huang endorsing March Fong Eu or providing any recommendations to your office?

Answer. No.

Question. Did there come a time that you learned that March Fong Eu wanted to leave her post as Ambassador to Micronesia?

Answer. I don't believe so.

Question. Have you had any communication with March Fong Eu at all since her appointment?

Answer. I don't believe so.

Question. And you have no knowledge of her involvement in fund-raising in 1996?

Answer. No.

Question. Who was the working group on ambassadors?

Answer. Secretary of State, the national security—it was in '93. I don't know who it was this time—Secretary of State, national security adviser, the Vice President, myself and the President.

Question. And so that would have been the group that discussed this appointment?

Answer. Would have discussed all ambassadorial appointments, yes.

Question. And do you know who prepared—who had done the preliminary work to prepare for this appointment—who within the office would have done that?

Answer. John Emerson, I think, had responsibility for ambassadorial appointments, so he would have prepared paperwork——

Question. And were you aware of him being in touch with March Fong Eu or having meetings with her?

Answer. No.

Ms. COMSTOCK. Make that Deposition Exhibit Number 9.

[Lindsey Deposition Exhibit No. BL–9 was marked for identification.].

The WITNESS. There may have been meetings in which John was also involved, and maybe Jan, frankly, were involved, also when we discussed ambassadors, but I'm not sure they attended most or all of the meetings. But there may have been at times when we were doing ambassadorial discussions John and/or Jan would have been there as well.

EXAMINATION BY MS. COMSTOCK:

Question. And do you recall if there was any discussion of March Fong Eu having been a fund-raiser, raised funds for Clinton-Gore?

Answer. I don't remember any discussion of March Fong Eu specifically at all, so the answer to that is no. Again, I knew she was a supporter of ours in California.

Question. All right. This is an October 1993 memo I believe that you have previously referred to, was a memo for Bruce Lindsey from Gary Christopherson, Associate Director of Presidential Personnel, dated October 18, 1993, and it was regarding John Huang being appointed Deputy Assistant Secretary for East Asia and Pacific International Trade Administration at the Commerce Department.

You previously indicated you did not recall getting this memo from Mr. Christopherson; is that correct?

Answer. That's correct.

Question. And do you recognize the handwriting on the top of the memo?

Answer. No.

Question. All right. I believe the handwriting on the right says, "Check this with Bueno."

Do you recall someone named Bueno who was at the Counsel's Office who worked with your office on appointments?

Answer. Vaguely.

Question. Do you know what his job was?

Answer. We had a whole group of people who vetted candidates. I assume he was one of the vetters.

Question. Okay, and did Bill Kennedy at that time oversee that group of vetters in 1993?

Answer. No.

Question. Who did?

Answer. We had two different groups, and I don't know which one. There was—Personnel has their own vetting operation, and I can't remember who oversaw it;

and the Counsel's Office had their own separate vetting operation that Bill Kennedy was over.

We did initial vetting within the Personnel Office prior to a person being selected. Once a person was selected, they then filled out a whole lot of forms, and those forms were given to the Counsel's Office, and the Counsel's Office then vetted the person after the fact. But again the initial vetting of people as we were making a decision were done by a separate vetting operation within the Personnel operation.

Question. And who worked on that?

Answer. Again, I can't recall.

Question. Okay, but at this point when this memo—this is getting to the point where the vetting has been done and this—in your office and was now going to move on to Counsel's Office; isn't that correct?

Answer. Do that in Counsel's Office after we check this.

Question. Approve or disapprove?

Answer. Approve or disapprove. We then give back, they send out all the forms to the candidate, the candidate fills out the forms, sends the forms back, and at that point the Counsel's Office vets the person before we actually nominate or appoint, depending on whether it's a nomination or appointment. So this would be prior to——

Question. Mr. Kennedy is in charge of that vetting process—the second—in the Counsel's Office?

Answer. Right, but there is no sign-off on this memo, so this would not have gone to the Kennedy vetting operation because we would not have sent Mr. Huang his forms.

Question. Well, I understand, but I'm just asking in general the process. Once this was signed off on, it would have gone to Mr. Kennedy; isn't that correct?

Answer. The forms would have gone to Mr. Kennedy's operation, yes.

Mr. MURPHY. Clarify the record. Mr. Bueno; do you vaguely recall which operation was he?

The WITNESS. I think he was in our operation, not in Kennedy's operation.

EXAMINATION BY MS. COMSTOCK:

Question. Mr. Bueno you think may have been in the Personnel Office, not the Counsel's Office?

Answer. I believe that's right.

Question. Is it Edgar or——

Answer. It's something like Edgar Bueno, I think, is in the Counsel's Office—I may be wrong—I mean, in the Personnel Office. I may be wrong, but I think he's in the Personnel Office.

Question. One of the things it indicates there, it says, check this with Bueno, fund-raiser on December 4th.

Do you recall the issue of a fund-raiser holding up Mr. Huang's appointment?

Answer. I don't recall anything about John's appointment or meeting with Gary or talking about any of this. Have I seen documents that suggested that that happened? Yes. But do I recall contemporaneous with October or November of '93? No.

Question. And do you normally travel with the President when he goes to California?

Answer. Yes.

Question. And were you aware of a December 4th fund-raiser that was—Creative Arts Agency fund-raiser? Do you remember being at one in California?

Answer. I remember—I don't remember the date. I remember is I came to a CAA fund-raiser, yeah.

Question. And do you recall if John Huang had anything to do with that fund-raiser?

Answer. I don't recall that, no.

Question. Do you recall any fund-raisers that John Huang was involved in on that trip that involved the CAA fund-raiser?

Answer. No. I mean, we did two fund-raisers that night. We did a CAA fund-raiser, and then we did a fund-raiser at somebody's house. Again, I don't remember John—again, I wouldn't have known whether John was involved in the fund-raising or not. Whether I saw him there or not, I don't recall—at either of the two fund-raisers.

Question. It's your testimony that you have no recollection of anything having to do with Mr. Christopherson writing this memo—or anything having to do with this December 4th date on here?

Mr. BALLEN. I'm going to object. That's the fifth time now in the course of an hour and a half the witness has been asked the same thing.

Ms. COMSTOCK. The witness hadn't looked at this document before today—I mean——

Mr. BALLEN. The witness has testified on five different questions, record speaks for itself.

Mr. MURPHY. I think the witness has made it clear that other than hearing Mr. Christopherson testifying about this and seeing the memo, he has——

EXAMINATION BY MS. COMSTOCK:

Question. Have you ever seen this memo before today?

Answer. Yes.

Question. So you have seen this memo, and you still have no recollection of December 4th or anything having to do with Mr. Huang's position being held up for a fund-raiser?

Answer. I don't doubt that it happened. Do I remember a conversation with Gary or any discussion about it? The answer to that is no.

Ms. COMSTOCK. I'd like that marked Deposition Exhibit Number 10.

[Lindsey Deposition Exhibit No. BL–10 was marked for identification.]

Mr. BALLEN. And for the record, whether or not the position was held up was not established by testimony from this witness.

EXAMINATION BY MS. COMSTOCK:.

Question. Okay. I'll just go through a few more documents that I guess you probably won't recall, but just look through them if you can.

Mr. MURPHY. Don't anticipate.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. December 4th, 1993, my understanding——

Mr. BALLEN. I'm going to object to that characterization. I think it's unfair, "You probably don't recall."

Ms. COMSTOCK. The witness has indicated that he doesn't recall anything about John Huang, but I would like to go through a number of more documents to attempt to refresh his recollection.

EXAMINATION BY MS. COMSTOCK:

Question. I don't know which documents you may or may not have seen in other depositions, so I will need to go through these, but I'm just trying to see if we can get any assistance here in refreshing your recollection on any matters related to John Huang's appointment.

Have you seen this December 4th memo?

Answer. I don't recall ever seeing this one.

Question. To you from Gary somebody?

Answer. No, I don't recall seeing this until today.

Question. Okay. So this is the first time you have seen this document.

Okay, and this document is an EOP 2126 document. It is a redacted document also, so I don't know what else is on here. It is a document from the White House, which reads, "The appointment of John Huang to this Commerce position is one we discussed in your office and agreed to proceed with in early December."

Does that refresh your recollection as to whether you talked with Mr. Christopherson about John Huang?

Answer. No. My lawyer tells me I may have seen this in the Senate deposition, but I don't recall even seeing it in the Senate deposition. But no, it was not—nothing I've seen refreshes my recollection that it occurred. I don't remember the meeting.

Question. Okay, and the letter also reads that both Presidential Personnel and the Department strongly recommend this appointment.

Do you know who in the Department of Commerce strongly supported Mr. Huang's appointment?

Answer. No.

Ms. COMSTOCK. Make that Deposition Exhibit Number 11.

[Lindsey Deposition Exhibit No. BL–11 was marked for identification.].

EXAMINATION BY MS. COMSTOCK:

Question. This is a December 6 memo for Bruce Lindsey from Gary Christopherson, Associate Director Presidential Personnel, and from Eileen Parisi, who—White House Liaison, Department of Commerce.

Can you tell us what Ms. Parisi's position—what she did?

Answer. Says White House Liaison, Department of Commerce.

Question. And what did that involve?

Answer. Well, the White House Liaison and all were sort of their link back to the White House and specifically, from my point of view, to the White House Personnel Office, so that they helped us identify positions that were available, they helped us understand what the qualifications were for the positions, and they helped us identify potential candidates for those positions.

Question. Do you recall any conversations you had with Ms. Parisi about John Huang?

Answer. I don't know if I know Eileen Parisi at all, and I was not in Personnel, by the way, on December 6, 1993.

Question. Okay. Do you know why this memo is directed to you on December 6, 1993?

Answer. No. I can speculate, but I don't know.

Question. Okay. Do you know if you received it?

Answer. No.

Question. You don't know, or you didn't receive it?

Answer. I don't know.

Question. I believe—this December 6th memo as well as the October 18 memo, which I understand you don't recollect, but do you recall there was a reference on both of them that Senator Paul Simon and Senator Conrad had supported Mr. Huang. Do you recall any vital communications you received from either of those Senators regarding Mr. Huang?

Answer. No.

We received hundreds if not thousands of congressional recommendations for candidates, 99.9 percent of which I would never see.

Question. Do you recall if anyone ever called you up there, made a phone call or anything, that left an impression on you from any congressional or Senate source?

Answer. On behalf of John Huang?

Question. Yes.

Answer. No.

Ms. COMSTOCK. Make this December 6 memo Deposition Exhibit Number 12.

[Lindsey Deposition Exhibit No. BL–12 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. So by December of 1993, you had moved on to your next position at the White House; is that correct?

Answer. Sort of. Was a position I held from January 20th on, so Personnel was added to what I was previously doing, and I gave up Personnel, just continued to do what I was—my other responsibilities, which was senior adviser.

Question. And that included traveling with the President?

Answer. Well, I traveled throughout the whole time I was Personnel Director, too. I started out with the title Assistant to the President, senior adviser and Director of Presidential Personnel. It was intended that I would start out with the title Assistant to the President and senior adviser. As I indicated earlier, when we were unable to find someone to handle the personnel functions after Dick Riley was appointed Education Secretary, that was added to my portfolio. So in November after the Congress went home, I gave it up.

Question. This is the March 25, 1994 memo to Beth Nolan from Maureen Lindsey, and I understand you are not in the Personnel Office at the time.

Mr. BALLEN. Could the Minority have a copy, please?

EXAMINATION BY MS. COMSTOCK:

Question. Do you know who Maureen Lindsey is?

Answer. No.

Question. No relation?

Answer. No relation.

Question. Okay, and this memo is regarding the results of follow-up interview with John Huang, candidate for Deputy Assistant Secretary, East Asia and Pacific International Trade Administration, Commerce.

So you did not see this document?

Answer. No.

Question. Were you aware of any of the information about Mr. Huang that was relayed in this document at any time, in particular anything relating to deportation proceedings?

Answer. No.

Question. Okay, or anything relating to any tax problems?

Answer. No.

Question. So—after you left the Personnel Office, do you recall ever hearing anything about John Huang again in terms of his position or his hiring at Commerce?

Answer. No.

Ms. COMSTOCK. Okay, make that Deposition Exhibit Number 13.

[Lindsey Deposition Exhibit No. BL–13 was marked for identification.].

Question. This is a document from the White House, EOP 10384 through 10401, which is titled "Memorandum for Prospective Appointees," from Bernard Nussbaum, counsel to the President. And then it has a data statement questionnaire attached to it, which John Huang has filled out and signed at the bottom, and it's dated 12-22-93.

Were there any transition duties that you had as—when you left Personnel, were you still involved in any way with seeing any documents or anything in the December time frame?

Answer. No.

Question. Is this generally—do you recall this form being something that was used when things moved on to the Counsel's Office after it had been approved in your office?

Answer. Yes. Well, I knew they sent a form, and I probably have seen this packet not filled out by anyone, but I don't know of anyone in Personnel who saw—I don't believe—I don't know of anyone in Personnel who saw that information that came back came back to the Counsel's Office and not back to our office.

Question. So if this form has a date of 12-22-93, and it's signed by John Huang, would this—you would have filled this form out for the Counsel's Office by that date—this wasn't something he filled out for your office?

Answer. That's correct.

Question. Or would have filled out for the Personnel Office?

Answer. I believe this is something he would have filled out for the Counsel's Office. It's part of their vetting process.

Question. And if he was filling out forms for the Counsel's Office, would that mean he would have been signed off for the Personnel Office at that point?

Answer. He would have been—yes, assuming that there's no vetting problems. That means he would have been signed off for by us—signed off on by us.

Question. And were you aware of any vetting problems about Mr. Huang?

Answer. No.

Question. In either the Personnel Office or the Counsel's Office?

Answer. Again, I don't have any recollection. It is clear, at least from Mr. Christopherson's testimony, it would appear that he raised with me the possibility that he was doing this fund-raiser and whether we should move forward with an appointment while the fund-raiser was pending. Again, according to Gary, he and I had that discussion. I don't recall that discussion—you know, if that is a, quote/unquote, vetting problem, then apparently I was familiar with it at the time.

Mr. BALLEN. Are we going to mark this?

Ms. COMSTOCK. No, not that exhibit.

EXAMINATION BY MS. COMSTOCK:

Question. I think earlier we had discussed Mr. Riady coming back to meet with the President for a photo op in the spring of 1993. I believe the date actually was April 13, 1993, the records we've obtained from the White House. This is a phone message slip to Webb Hubbell from James Riady. It indicates that "Mr. Riady is at the OEOB. Please call."

Do you know who number was at that time?

Answer. No.

Question. Do you have any knowledge of Riady making phone calls to Mr. Hubbell in this time frame—spring of 1993?

Answer. I think—no, the answer to that is no.

Question. I'm sorry, did you have anything you want to add to that?

Answer. The question was did I know at the time that Mr. Riady was making phone calls to Mr. Hubbell? The answer is no.

Question. Did there come a time that you learned that Mr. Riady did get in touch with Mr. Hubbell?

Answer. I think there came a time in the last 6 months that I learned that this phone record existed and that Mr. Riady apparently called Mr. Hubbell from the OEOB.

Question. Okay, but other than that?

Answer. No.

Question. You did not know——

Answer. No.

Question. About him making phone calls from the White House?

Mr. BALLEN. For the record, how did you learn——

The WITNESS. I think you all probably leaked, the committee probably leaked, the phone records, and it was in the Washington Times.

EXAMINATION BY MS. COMSTOCK:

Question. Okay, this is GRO 1436, which are records of Mr. Hubbell's phone records that actually, I believe, were discussed at a public hearing in February of 1996 when Mr. Hubbell was asked about work with the Riadys.

Answer. I don't think I knew—I don't think I remembered it from that time frame. I mean——

Question. These are documents that are available to a number of committees for several years.

Answer. Okay.

Ms. COMSTOCK. Mark that Deposition Exhibit Number 14.

[Lindsey Deposition Exhibit No. BL–14 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is another phone record of Webb Hubbell's from 1993. Mr. Hubbell's—received a call from James Riady and Mark Grobmyer. Do you know Mr. Grobmyer?

Answer. Yes.

Question. Do you have any knowledge of him working with Mr. Riady?

Answer. In this time frame—I'm not sure what this time frame is.

Question. Actually—these are '92 and '93. It doesn't have 1993 on the date, but we do have a complete set of these, and these are from 1993——

Answer. The answer to that, I think, is no.

Question. Mr. Hubbell was not at the Justice Department in 1994?

Answer. Right. The answer is I don't believe I knew Mark Grobmyer was working with Mr. Riady in 1993.

Question. Okay. Did there come a time when you did learn that Mr. Grobmyer was working with Mr. Riady?

Answer. Again, in the course of this investigation since, I've learned that Mr. Grobmyer either did or was trying to do some work with Mr. Riady.

Question. You had no knowledge prior to that?

Answer. I don't think so, no.

Mr. BALLEN. Again, this is something you learned from press accounts?

The WITNESS. Yeah, probably, or congressional testimony, or something like that.

Ms. COMSTOCK. Good morning, Congressman Waxman. At this time if you would like to ask any questions?

Mr. WAXMAN. I'll let you proceed. I want to hear how the tone is of this questioning, whether you're getting to the issues that are important, because I'm getting reports that a lot of these depositions are wandering in an unfocused way. But I'll sit in anyway.

Ms. COMSTOCK. Thank you. If at any time you would like to ask questions, please let me know, and we'll stop and allow you to have the floor.

Mr. WAXMAN. Okay.

Ms. COMSTOCK. Okay, make this Deposition Exhibit Number 15.

[Lindsey Deposition Exhibit No. BL–15 was marked for identification.].

EXAMINATION BY MS. COMSTOCK:

Question. Did there come a time when you learned that Mr. Hubbell was doing work for the Lippo Group after he left the Justice Department?

Answer. I'm not sure what the answer to that is. There was a time that I was told that someone thought Mr. Hubbell was doing work for the Lippo Group or for the Riadys.

Question. And who was that someone?

Answer. It was probably Doug Buford.

Question. And what did Mr. Buford tell you?

Answer. Well, it related to the list of people to go to—from Arkansas to go to Indonesia at the time that the President was going to Indonesia in November of 1994. I had been given a list that included a group of Arkansans and also included Mr. Hubbell's name on it. I believe I asked why Webb's name was on there, and I believe I was told that his name was on there because he was doing some work for him.

Question. Okay, and who was Doug Buford?

Answer. Doug Buford is a former law partner of mine with the firm of Wright, Lindsey and Jennings in Little Rock, Arkansas.

Question. And does Mr. Buford also do work for the Lippo Group?

Answer. Yes.

Question. And what type of work does he do for them?

Answer. I have no idea.

Question. Do you know how long your former law firm has represented the Lippo Group?

Answer. I believe since I left, but I don't know when they began to represent him.

Question. And while you were there, you had no knowledge of the Lippo Group being represented by Wright, Lindsey and Jennings?

Answer. I don't believe so. We did do work for Worthen Bank and Trust Company, and at one time the Riadys had an interest in Worthen Bank and Trust Company, but I don't believe that we—I don't remember or recall our law firm doing work for either the Riadys directly or the Lippo Group while I was there.

Question. So you yourself did not do any work for the Lippo Group at any time while you were at Wright, Lindsey and Jennings?

Answer. Other than I did labor work for Worthen.

Question. Okay, and this is a September 21, 1994 memo to John Huang from Joe Hanna regarding the Arkansas delegation list.

Is this the list that you were referring to regarding the trip to Jakarta in November of '94?

Answer. I don't believe so.

Question. Okay. Have you ever seen this list before?

Answer. I don't believe so.

Question. Okay. This was produced to us by the White House. It's EOP 20112, and then there is another copy of it, which is also—just attached here, which was 20359, both documents from the White House.

Do you recall John Huang giving you any such list?

Answer. No, not to me. I believe I learned it through a memo from Marsha Scott.

Question. You learned about the Arkansas delegation from a memo from Marsha Scott?

Answer. I believe so, yes.

Question. And could you tell us about that?

Answer. I believe at some point Marsha Scott sent maybe Mack McLarty and I a memo indicating that there is going to be a group of Arkansans who were going to attend the Asian Pacific Economic Conference. Shortly thereafter Mack and I, maybe Marsha, met, decided, concluded, that we didn't think it was a good idea, and I took on the responsibility of trying to stop it. I called Doug Buford at some point asking what he knew about it. We talked about it. I told him I didn't think it was a good idea. He relayed that back to the Riadys, and in effect it was canceled.

Question. The list that you saw from Marsha Scott, was that shorter or longer than this list?

Answer. Shorter than this one.

Question. Okay. Do you know how Marsha Scott had made up her list?

Answer. No.

Question. Do you know if she had talked to Mr. Buford.

Answer. No, I doubt if she talked to Mr. Buford, but I don't know how she did it.

Question. When she came to you, did you have any idea how she learned about this?

Answer. No.

Question. She never told you where the idea came from?

Answer. If she did, I don't recall. But, I mean, she just had a list of people that she said were planning to—Arkansans—who were planning to attend the APEC conference. You know, how she got that list or how she learned about the list, I don't——

Question. And what was her position at the time in the fall of '94?

Answer. Probably still head of White House Correspondents, probably—'94—oh, no, I don't know if she was still head of White House Correspondents then. She may have been in—I don't know.

Question. Okay. Do you know who had tasked her to work on this or how she got to work on it?

Answer. I don't think anybody tasked her. I think what she was asking was to be a part of it. I think she wanted to go and sort of supervise the Arkansans who were going to be there. So I think it was her way of trying to include herself into the trip.

Question. But you have no knowledge of how she heard about the trip?

Answer. No.
Question. I mean, heard about the Arkansas delegation?
Answer. No.
Mr. BALLEN. It's been asked and answered now three times.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know whose handwriting is on this document?
Answer. I'm not a handwriting expert.
Question. I'm just wondering if you recognize the handwriting.
Answer. I believe it's Mack's—McLarty's.
Question. Do you recall Mr. McLarty ever giving you a list or sharing a list with you of the Arkansas delegation?
Answer. No, I had a meeting with Mr. McLarty in which we discussed Arkansans going. I don't remember him sharing a list with me.
Question. And that meeting was with McLarty and Marsha Scott?
Answer. I told you I didn't remember whether Marsha Scott was there. I knew it was Mike and I, and Marsha Scott may have——
Question. Do you know if anybody else was present at that meeting?
Answer. I don't recall—no, could be, but I don't recall.
Question. When—you had said when you talked to Doug Buford, you told him it was a bad idea to have this list of people come?
Answer. Yes.
Question. And——
Mr. BALLEN. Again for the record, not this list, but in terms of the exhibit before the witness——
Mr. MURPHY. A group of Arkansans.
The WITNESS. Correct.

EXAMINATION BY MS. COMSTOCK:

Question. And did you have a correction of the group that was going to be going, who it was?
Answer. I believe on Marsha's memo there listed a group of people who were going or—you know, at some point I had a list of people who were going, including—people on this list, and it had Pryor on it, and it had the Governor on it, it had Grobmyer, it had a good number of the people who were on this list. But I don't think it had my wife's name on it, for example. You know.
Question. And your wife is here as number 14; is that correct?
Answer. Yes.
Question. Okay. Do you know why—I mean, you said the list that you saw did include—I'm sorry—I don't think we have that of Marsha Scott's, do you?
Answer. I don't have it.
Question. We haven't seen it, so I don't know, so I'm sorry we're working off this one which we received from the White House. I'm not familiar with the one from Marsha Scott.
Do you know why, for example, Governor Tucker was included in this delegation?
Mr. MURPHY. Objection. He doesn't even know who formulated the group.

EXAMINATION BY MS. COMSTOCK:

Question. Did you have any discussion about Mr. Tucker being—Governor Tucker being included in the delegation?
Answer. Yes, because—no. I mean, I asked whether Mr. Tucker was going. I asked whether Senator Pryor was going. My attitude about the delegation was different if they were going to go. If they wanted to head a delegation of Arkansans to go to Indonesia, who am I to tell them they can't do that? I learned in talking with Mr. Buford that it was unlikely that either of them were going, you know, which again reinforced my view that this was not a good idea.
Question. What was your understanding of who was going to go then, if it wasn't——
Answer. I wrote a memo, and I went through—you know, I don't have it, but I went through the people who we talked about and who we took off the list and who was still on the list.
Question. This is an undated memo; is that the memo referred to?
Answer. Yes.
Question. And this is a memo to Mack McLarty and John Podesta from Bruce Lindsey—is that your signature on the "from" line?
Answer. Yes.
Question. And it's re: Arkansas delegation to APEC.

So this was the memo that you were referring to?

Answer. Yes.

You know, again, I had a list that when—in talking with Doug and with John Tisdale, we—you know, these people appeared to have a reason for being there, as I tried to explain, for the most part. The rest of the people did not seem to have a reason for going. I wasn't going to deny anybody the right to go to Indonesia if they had a legitimate reason for being there. I just didn't think that there should be a large delegation of Arkansans that the Riadys knew over there because they believed the President would like to see some, you know, friendly faces. And so these were the people who in the end had some reason, in my judgment, for being in Indonesia during the Conference.

Question. And in this memo, you begin it saying, "I spoke with John Tisdale and Doug Buford."

Do you recall speaking with John Tisdale?

Answer. I believe—I think I called Doug. I think John was in the room and they put me on the conference line, speakerphone.

Question. So Mr. Tisdale also was at Wright, Lindsey & Jennings?

Answer. Yes.

Question. And to your knowledge, does Mr. Tisdale also work on Lippo matters?

Answer. I have no idea.

Question. Do you know approximately when you wrote this memo? There is not a date on it?

Answer. No. Obviously, it was before we went to Indonesia. But I don't know. I would say late October, but I don't know that for a fact.

Question. Late sometime in October or late October 1994?

Answer. Right.

Question. Okay. This is for the November 9th Jakarta trip; is that correct?

Answer. Right.

Question. Do you know why you memo it to John Podesta?

Answer. John may have been in this meeting that I had with Mack. Again, I don't know why.

Question. Do you recall discussing this issue with Mr. Podesta at all?

Answer. No, not in—no. It doesn't mean I didn't. I just don't recall.

Question. And is that Mr.—I'm sorry, on the right-hand corner there, do you recognize the handwriting on the document?

Answer. The "to Leon from McLarty"?

Question. Yes.

Answer. No, I don't.

Question. Do you recognize the handwriting on the bottom of the page?

Answer. That appears to be Mack's handwriting.

Question. Okay.

Mr. WAXMAN. Counsel, I just want to observe that you asked a lot of questions pertaining to this memo before it was presented to Mr. Lindsey. Might this proceeding be a little bit more expeditious if you gave the document and then asked the questions about the document to Mr. Lindsey or any other witnesses have a chance to review it and respond to it?

Ms. COMSTOCK. Well, I was asking about the previous memo and it became apparent that general sentence talked about this memo, and I provided it to him so we could discuss it. We were trying to establish this was a document that was in the White House, which apparently no one knows how it got in there, from Mr. Huang.

Why don't I go ahead and make this previous September 21st, 1994, memo Deposition Exhibit Number 16, and make Mr. Lindsey's memo Deposition Exhibit Number 17.

[Lindsey Deposition Exhibit No. BL–16 was marked for identification.]

[Lindsey Deposition Exhibit No. BL–17 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. So the list of people that you have on this list——

Mr. MURPHY. Exhibit 17.

EXAMINATION BY MS. COMSTOCK:

Question. Exhibit 17, on your memo we're talking about now, is it your recollection that you got this from the list that Marsha Scott gave you, or did you independently come up with the list?

Answer. I don't know—in discussing with Doug who was going, we walked through all the people that they thought were going and I would ask, why is that person going, what is he doing, what role did he play, and in the end came up

with—I mean, you know, frankly Doug may have a broader list. But in the end, these were people that we—I understood had a reason for being there other than just going.

Question. The September 21st memo is from Joe Hanna. Do you know Joe Hanna?

Answer. No.

Question. Did you have any knowledge of Joe Hanna is an employee at Lippo. Does that assist you at all in recalling who Joe Hanna is?

Answer. No, I don't know Joe Hanna.

Question. And do you have any knowledge of Mr. Huang being in touch with Lippo employees in connection with the Jakarta APEC trip in the fall of 1994?

Answer. No.

Question. So you have no knowledge as to why Mr. Huang would be receiving a list from Mr. Hanna?

Answer. No.

Question. And the September 21st memo indicates it was prepared by James Riady and Joe Giroir.

When you talked with Mr. Buford, were you—did he mention anything about Mr. Riady or Mr. Giroir working on a list?

Answer. Well, I always understood it was a Riady list.

Question. Because they were going to be paying for the delegation to go over there; is that correct?

Answer. That's my understanding, yes.

Back up a little bit. There was a delegation from Arkansas that went to the '93 APEC conference in Seattle. It was headed by Jim Guy Tucker. The purpose of that delegation was to try to develop relations with some of these Asian countries to try to bring business to Arkansas. It acted, for the most part, independent of the President or the President's being there. They simply used that as an opportunity to make a pitch for Arkansas on behalf of these Asian countries.

Again, you know, originally when we got a list with Jim Guy Tucker on it and David Meyer's name appeared, could be something similar. As I found out they were not planning to go, then it became more problematic, in my view, as to why we were sending a delegation if there was nobody sort of really heading the delegation. So again, you say the Riadys were going to pay for it. I think that was always an assumption. I don't know if I knew that.

Question. So I was asking you, in your understanding——

Answer. I, frankly, don't know—I knew the Riadys were encouraging the delegation. I don't know whether or not they intended to pay for the delegation or whether every person who was going to go was going to pay their own way. So, again, I don't know the answer to that.

Question. And you had mentioned the fall '93 APEC meeting, so I just wanted to show you a memo from that time frame. This is a September 7th, 1993, memo to you from Maria Haley. And, then, is it your testimony, then, you attended that APEC meeting in '93 also?

Answer. Yes.

Question. Do you recall the Riadys being at that meeting?

Answer. Yes.

Question. And Governor Tucker was also at that meeting, correct?

Answer. Yes.

Question. Were you aware of Nora and Gene Lum being at that APEC conference?

Answer. I don't think so.

Question. Do you have any knowledge about them being represented by John Tisdale?

Answer. Yes.

Question. And when did you learn of that?

Answer. Since they got into trouble. I mean, since, you know, it was in the press that John represented them.

Question. Other than press accounts, you had no knowledge of that?

Answer. I think John has told me that he represented the Lums.

Question. Do you recall when he told you about that?

Answer. No. I think it has been, again, the last year or so, but I don't recall exactly when.

Mr. WAXMAN. Counsel, I'm going to have to leave. But I would like to ask a few questions.

EXAMINATION BY MR. WAXMAN:

Question. Mr. Lindsey, first of all, let me thank you for being hear for this deposition. I know it is an intrusion on your time.

Politicians often refer to each other as "good friends." As a matter of fact, the protocol of the House often requires us, in order to not say anything to the contrary, we refer to each other as "my long-time, good friend."

Do you have any reason to believe that President Clinton's description of John Huang as a "good and long-time friend" in 1996 was anything other than a conventional expression of gratitude to one of his many dedicated political supporters?

Answer. No, sir. I mean, I knew that they knew each other and had come into contact with each other over the years. And, as you know, Bill Clinton makes friends fairly easily. But, you know, I did not know that his relationship with John Huang was any different than his relationships with hundreds of other people who have also been supporters of his in the past and who he has come in contact with through various political and governmental occasions.

Question. It is just not unusual for politicians to talk about others as "good friends" when they are acquaintances or supporters?

Answer. Right.

Question. I know my good friend, Chairman Dan Burton, would want me to have it clarified for the record.

Mr. WAXMAN. Thank you, Counsel. I'm going to have to go to my office and meet with some other people, but I'll try to come back. Thank you.

EXAMINATION BY MS. COMSTOCK:

Question. In your memo, Exhibit 17, when you say the list has been whittled down, do you know who was involved in that whittling process besides yourself?

Answer. I think Doug Buford and John Tisdale. I mean, I would ask them—they would tell me who was going. I would ask them why they are going, what role they have, what responsibility, why are they on the list. And as we got to people that we couldn't—who didn't have a role, I suggested that they not go.

Question. And do you know what Mr. Grobmyer's reason for going was?

Answer. Yeah, listed here he is the chairman of the international business community of the Little Rock Chamber of Commerce.

Question. Aside from that, were you aware of his business dealings with the Riadys or Asian businesses?

Answer. Again, I don't think I knew of his relationship with the Riadys, if he had any sort of business relationship at the time. But I did know that he was active in this international business center that they had in Little Rock.

Question. And you wrote that Doug, I guess meaning Doug Buford, who negotiated the revised list with James Riady, asked about list status and that he clearly would like to go but will do whatever we want.

Who was "we" there?

Answer. The White House.

Question. And what was he told?

Answer. He did not go.

Question. And was that——

Mr. BALLEN. I'm sorry, for the record, who is "he"?

The WITNESS. Doug Buford did not go.

EXAMINATION BY MS. COMSTOCK:

Question. Was he asked not to go by the White House?

Answer. I think I suggested to him, since I couldn't, you know—I was Chairman Elect or President Elect of the Chamber, but I think I told him I thought it better he didn't go.

Question. And then the next line there says, "he believes his presence will help to control the group."

Do you know what you meant by how he was going to control the group?

Answer. I think he—you know, "control" I put in quotes. I think he thought he would be able to help, sort of make sure that they did go where they were supposed to go, didn't try to intrude upon the President's time.

As you notice, I say that they don't expect to do anything with the President. People can have that sort of understanding on one level and not on another level, and I think he thought he could make sure that they did not try to establish meetings or, you know, interfere with what the President's official responsibilities were while he was there.

Question. Then, as you said in the next paragraph, it says, "delegation does not expect to do anything with the President, but would like to be invited to the American reception."

Do you know if they were, indeed, invited?

Answer. I don't know.

Question. Do you know if they were invited to any speeches or any events?

Answer. I think they were probably invited to whatever public events—for example, Systematic and Entergy, the Department of Commerce had some sort of a big—I want to call it affair, but it wasn't, sort of where they showed Arkansas—not Arkansas, American companies and products and the President gave a speech there.

My guess is that any Arkansans who were there were invited to that, but I don't know that for a fact.

Mr. BALLEN. Do you know for a fact who, if any, of these individuals actually went?

The WITNESS. I remember seeing Mark Grobmyer, not in Indonesia, but in the Philippines. So I don't know whether he went to Indonesia or not. We went to the Philippines before that. Paul Berry, I don't believe went. Someone from University of Arkansas Medical Sciences, I don't believe it was Alan or Gene Suggs, the president of the system, but I think it may have been Harry—and I can't think of Harry's last name——

EXAMINATION BY MS. COMSTOCK:

Question. Ward?

Answer. Ward, who was head of the medical school, went.

Question. Now, Harry Ward was on the September 21st, 1994, memo?

Answer. Okay. I think I may have gone and Alan and Gene Suggs did not go. I don't know—I don't recall seeing the Cranfords. And I don't know who the representatives from Entergy or Systematic would have been. So I think only two or three at most of these people actually went.

The people that I do remember going were directly related with this sort of sister school relationship between the University of Arkansas School of Medical Science and some Indonesian medical school.

Mr. BALLEN. Thank you.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware Mr. Hubbell went on the trip at all?

Answer. I did not.

Question. Were you aware of Mr. Hubbell previously going to Jakarta on the trip in the fall of 1994?

Answer. Again, not at the time. I think I learned that later that he went over there at one point again for press reports.

Question. Did you have discussions about whether or not Mr. Hubbell should be included on the trip?

Answer. Yes. I asked Mr. Buford why Mr. Hubbell was on the list, and I believe Mr. Buford told me that he thought he was doing some work for the Riadys. The extent of my knowledge at any point that Webb did any work for the Riadys, and again that's not—I don't know—at the time I didn't know that he had done any work. I just know that Doug said he thought he was on a list because it was his understanding that he thought he was doing some work for the Riadys.

Question. Do you recall relaying that to Mr. McLarty or others at the White House?

Answer. I don't think so. I think, since he was not on the revised list, I don't think we talked about who wasn't going. I think we talked about who was going and why.

Question. Do you recall if he was on Marsha Scott's list?

Answer. I believe he may have been, but I don't think—I don't recall.

Question. And have you seen the Marsha Scott list recently? Have you had an opportunity to review that list?

Answer. I've seen it sometime in the last year. I mean, I don't know what "recently." I have not reviewed it in the last month or month and a half.

Question. So that's a document that you've seen at the White House?

Answer. Yes.

Mr. MURPHY. I think we saw it in the documents produced by the White House to the Senate.

The WITNESS. Yes.

Ms. COMSTOCK. I apologize if we've missed it.

Mr. MURPHY. It may have at his deposition. I just don't remember.

The WITNESS. Could be. It was a memo saying there was this delegation going. I am almost sure it listed some of the people in the delegation, though I could be wrong about that, then saying I'd like to go and sort of be responsible for these people.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall what Marsha Scott was told about the delegation?
Answer. Marsha apparently received a copy of my memo. I don't know that. I don't know.
Question. Do you know if she went on the trip?
Answer. She did not go on the trip.
Question. You don't know of any discussions with her about somebody telling her "you're not going to go on the trip"?
Answer. I may have told her she wasn't going on the trip, but I don't recall.
Question. Do you recall discussing this with Leon Panetta?
Answer. No.
Question. Or with John Angel in his office?
Answer. Who?
Question. Is it John Angel?
Ms. REMINGTON. Angel.
The WITNESS. Angel? No.

EXAMINATION BY MS. COMSTOCK:

Question. And Skip Rutherford, do you recall if you discussed it with Skip Rutherford?
Answer. No. Did I discuss it with Skip?
Question. Yes. I mean, that's Mr. McLarty's handwriting on there, so I'm asking if you recall discussing it with Skip Rutherford?
Answer. No. I don't see Skip's name on it. Is 4 Skip?
Question. That's number 4, yes.
Answer. I don't remember discussing it with Skipper.
Question. Do you know if he went on the trip?
Answer. He did not.
Question. Do you know why Mr. McLarty wanted Skip Rutherford's input on this whole Arkansas delegation?
Answer. No. Is Skip on the longer list?
Question. No.
Answer. No, I do not know.
Question. You had mentioned earlier, you had noted that your wife's name was on this list.
Did any list that you see have your wife's name on it?
Answer. No.
Question. And were you aware of the Riadys ever approaching you or discussing with you taking your wife on this trip?
Answer. No. The answer to that is, no one ever approached me about Bev going on this trip.
Question. And she doesn't do any work for Lippo or the Riadys or anything like that?
Answer. No. She, at this time, was head of a Department, State Department, Department of Arkansas Heritage.
Question. The last paragraph in your memos reads that "James Riady and his father would like to have an opportunity to visit briefly with President Clinton during the visit."
Did that occur?
Answer. Yes.
Question. And when did that occur?
Answer. They came by the room for about 5 minutes before we went to some event.
Question. Who came?
Answer. James and his father, and I think both wives, but I don't know.
Question. Both wives?
Answer. Wives, both Mochtar Riady's wife and James Riady's wife.
Question. And they came by the President's hotel?
Answer. Yes.
Question. And you were there?
Answer. Yes.
Question. And could you describe that meeting?
Answer. It was just, "Hello. How are you?" And then they said a prayer.
Question. And that was all that occurred?
Answer. Yeah. I don't even know if they ever sat down. I think it was just right—sort of right there they stood around, they talked about old times, you know, about when they had met before, and then Mr. Riady—Mochtar Riady is apparently a very

religious man; and as they were about to leave, he wanted to say a prayer. So they said a prayer.

Question. And was anyone else at the meeting?

Answer. Mrs. Clinton may have been there. I don't recall.

Question. And, so, it was you and the President and Mrs. Clinton?

Answer. Maybe, and the Riadys.

Question. And this says, "We should try to schedule a 15-minute meeting for them."

Do you recall, was this a scheduled meeting?

Answer. Scheduled in the sense that we were going to try to do it when we were there. It was not scheduled in the sense that it was on the schedule. It was during right before the President was to leave for something. And I don't think it lasted 15 minutes. I think it lasted less than that. And they, basically, came by the hotel room as the Clintons were about to leave either for a dinner or meeting or some other event.

Question. But do you recall if it was planned to have them come by, who was involved in planning that?

Answer. No. My—no.

Question. Presumably, the President's scheduler would have to have something to do with that?

Answer. No, I doubt it.

Question. I'm not sure how this works when you're in a foreign country, but if someone were coming to visit the President in the White House, they would have to go through some procedures in getting in and getting waved in.

Is that not the case when he travels?

Answer. No. What would happen most likely—and I'm speculating because I don't recall—is Mack and I would have talked about it after this meeting; and if he agreed, which I assumed he probably did, that, you know, we should do it, I probably would have told the President at some point that, before you leave one time, I think, you know, we will——

Back up. The Riadys wanted the Clintons to go to their house, and that was not going to happen. The President was not going to go to the Riadys' house while he was there. And, so, I think I probably said to James one time, look, the President is scheduled to leave at 6:00 to go X. Why don't you and your dad come by at ten till. I would have then told the Secret Service that the Riadys were going to come by so they would have known that they were coming up, would have let them come up. I would have met them in the hallway and made sure the Clintons were ready and knocked on the door, and they would have visited.

Question. Would that be all that was involved? Secret Service doesn't have to run a name check?

Answer. No.

Question. Or do anything you normally do here? Can you just go to the Secret Service and say "someone is going to come up to see the President. It's okay"?

Answer. "Okay, let them up".

Question. And then you would escort them to see the President, would that be the normal procedure?

Answer. That would be the normal—"normal" is not the right word. That would be a procedure on something like this.

Question. So that wouldn't appear on any type of public record?

Answer. No.

Question. Or any type of record that anybody keeps of the schedule?

Answer. No.

Question. Okay.

Mr. MURPHY. Is the memo Mr. Lindsey wrote Exhibit 17?

Ms. COMSTOCK. Yes.

Mr. MURPHY. And are you marking the Maria Haley to Bruce Lindsey memo of September——

Ms. COMSTOCK. Yeah, I'll go ahead and make that Deposition Exhibit Number 18.

[Lindsey Deposition Exhibit No. BL–18 was marked for identification.]

Mr. MURPHY. Okay.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of March Fong Eu being on the trip to Jakarta?

Answer. No.

Question. This is a document from Hip Hing Holdings to James Riady from Ambassador March Fong Eu, September 30th, 1994. It begins by saying, "I look forward to seeing you in Jakarta."

Second paragraph, midway through the second paragraph, says, "In the meantime, I am asking Bruce Lindsey and another couple of my White House contacts to get word to the White House staffers working on the conference that I will be there and to see if any name could be added to the official American delegation list."

Answer. I don't recall that document. I don't believe she was part of the official delegation.

Question. Do you recall her contacting you or anybody that you were working with about——

Answer. No.

Question. Including her in some type of delegation?

Answer. I don't recall, no.

Question. Were there any other events in the fall of '94 in Jakarta that she would have been—I'm trying to determine if there is any other event in Jakarta that she may have been referring here to that the President was involved in?

Answer. No. I assume—I don't know dates of the APEC conference, but I would assume this was the APEC conference.

Question. And then the fifth paragraph here, second from the bottom, discusses spending a few days in Bali.

Were you aware of Mr. Riady having people stay in Bali as some part of this delegation?

Answer. I know that the Arkansans that he wanted to take, he wanted to, then after the APEC, he wanted to take them to Bali.

Question. And do you know if that occurred?

Answer. No, I don't believe it did. The delegation didn't occur.

Question. There's been reported a trip that Mr. Hubbell went on to Bali. Is that a separate trip, then, in the fall of '94? Was this a separate one from this, if you have any knowledge of it?

Answer. Mr. Hubbell did not go on the APEC trip. So, yes, it would have to be separate from the APEC trip.

Mr. BALLEN. If, in fact, you knew whether or not he went.

The WITNESS. If he went. He was not part of the APEC trip, and he was not there during the APEC conference that I know of.

EXAMINATION BY MS. COMSTOCK:

Question. Do you have any knowledge of Mr. Riady taking any group of people to Bali after this conference?

Answer. No.

Question. That was something you had originally heard about in terms of this bigger group?

Answer. Right, when he was going to do this bigger group, they were going to go to the conference and then go to Bali. The group didn't occur. It didn't happen. So, as far as I know, nobody went to Bali.

Question. And what was the purpose of going to Bali?

Answer. I think there's supposed to be a wonderful golf course. I think it was fun and relaxing.

Question. And then I believe you testified you didn't know if he was going to pay for it, but your understanding was you thought he was going to?

Answer. The answer is, you know, you asked a question about whether or not he was taking his delegation. I was trying to answer it by saying, I don't know whether he was taking this delegation or whether he was simply inviting the delegation and they were going to be expected to pay their own way. I just don't know the answer to that.

Ms. COMSTOCK. Make this Deposition Exhibit Number 19. 18 was the '93 APEC meeting.

[Lindsey Deposition Exhibit No. BL–19 was marked for identification.]

Mr. MURPHY. Ms. Comstock, do you have any thoughts about lunch?

Ms. COMSTOCK. Well, I guess you've given me the 3:30 time line, but I don't think we're going to be able to finish. We're not going to get that through without lunch. I'd be happy to break for lunch, and if you can give me time here.

Mr. MURPHY. Can we go to 5:00 or 6:00?

The WITNESS. Personally, it is better for me to skip lunch and get through so I can go back to work.

Mr. BALLEN. Maybe at some point we can take a 10-minute break.

The WITNESS. Yeah, that's fine.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of Susan Thomases doing any work for the Lippo Group or for the Riadys?

Answer. No.

Question. You have no knowledge of her being on any trips paid for by the Riadys or entertaining any ideas like that?

Answer. No. First time I ever heard it. Haven't even read that one.

Question. Returning to Mr. Hubbell, when did you first learn of Mr. Hubbell's legal problems with the Rose Law Firm?

Mr. MURPHY. You mean legal problems of any sort?

Ms. COMSTOCK. With the Rose Law Firm.

EXAMINATION BY MS. COMSTOCK:

Question. Why don't we make it of any sort, since some of them extend beyond the firm.

Answer. I don't know the answer to that. I think—I'm trying to remember whether in January or February—I think I first learned about it in the press. So I'm trying to remember when the first story was that he was having some sort of discussions with his law partners about legal matters. But I think that was the first I learned about it.

Question. This is one of the first extensive articles on it. It is March 2nd, 1994, in the Post: "Law Firm Probing Hubbell. Billing Irregularities Alleged. Clinton Denies Wrongdoing."

Answer. Yeah, I don't know if this is the one that I knew about it. But I think I first learned about it through a press report.

Question. Prior to the press reports, had you heard from any Arkansas legal colleagues about any rumblings about Mr. Hubbell having problems with the firm?

Answer. I'm having trouble sequencing the time. At some point, I learned that Webb had represented his father-in-law and his brother-in-law in a matter on a contingency basis, which they lost, and that there was a disagreement among the firm and Webb as to what the terms of the contingency arrangement was.

I don't remember—I can't tell you today whether I learned that before—before this or after this.

Mr. BALLEN. "This" being the newspaper?

The WITNESS. "This" being the article.

EXAMINATION BY MS. COMSTOCK:

Question. Just to give you a time line, Special Counsel Fisk had been appointed in late January '94. Then there were stories about documents at the Rose Firm being shredded and there were these two young paralegals who had been—it would have been in early February '94, and then there were the matters with Roger Altman in mid February 1994.

Does that help place in time when you learned of Mr. Hubbell's problems——

Answer. No.

Question. Whether it was before or after these events?

Mr. BALLEN. I'll object. These are unrelated. You're stating events, and we can talk about other events, but why these would help with Mr. Hubbell——

Ms. COMSTOCK. In terms of special counsel being appointed. He very quickly began looking into Mr. Hubbell's billings and things.

EXAMINATION BY MS. COMSTOCK:

Question. I'm wondering if, following the appointment of special counsel, if you heard anything from Arkansas?

Answer. No. In fact, I think the premise—I don't know when the special counsel began looking in Mr. Hubbell's billings. The question of shredding of documents didn't have anything to do with Webb's billings; it had to do with, you know, Whitewater-related documents. And Roger Altman certainly didn't have anything to do with Webb.

Now, again, I don't know whether or not just through general discussion in Arkansas or among the Arkansas bar that I knew that there was general unhappiness about Webb's handling of this lawsuit for his father in terms of how much it cost and who bore the cost or whether these stories came out and later I heard those stories. Nothing you've said helps me with the sequencing of whether I heard about it beforehand or after.

Question. Okay. Then directing your attention to the fourth paragraph here, it does mention that the pace of the Rose Firm's inquiry has sped up in recent weeks

as the law firm was subpoenaed in a criminal investigation by Special Counsel Robert Fisk, who was investigating President Clinton's Whitewater land venture.

It just discusses generally that the Rose Law Firm was being subpoenaed, I guess, at some time prior to March 2nd?

Answer. Yeah. But if I recall, those subpoenas and the documents didn't relate to Webb's problem, they relate——

Question. No, it doesn't indicate that here. I'm just wondering whether that refreshes your recollection whether you had heard anything in the context of Mr. Fisk subpoenaing documents from the firm that these other matters might arise in the course of him looking at the firm in general?

Answer. No.

Question. So your first recollection of hearing about Mr. Hubbell's problems, then, is from the press?

Answer. No, I can't say that.

Mr. BALLEN. He's testified three times to this now.

Mr. MURPHY. Objection. He testified that, either from some conversations with Arkansas lawyers or from press inquiry, he heard something about it.

Ms. COMSTOCK. Of a billing dispute.

EXAMINATION BY MS. COMSTOCK:

Question. Do you have a recollection of any person talking with you about this when you first learned of it?

Answer. Not when I first learned of it, no.

Question. Did there come a time when you discussed this with people at the White House?

Answer. I don't think so.

Mr. BALLEN. Is there a time frame?

The WITNESS. I don't think so. I mean, I assume at some time, especially around the time he resigned, that we discussed it. But I don't think—I mean, again, I don't remember talking to anybody at the White House. I'm sure we probably talked about this article once we saw it. But I don't have any specific recollection of that. And I certainly don't remember talking to anybody before it was generally known.

EXAMINATION BY MS. COMSTOCK:

Question. At this time, were you responding to Whitewater inquiries, in general, with the press?

Answer. Depends on what "this time" is.

Question. March of '94?

Answer. John and I probably—both John Podesta and I both were probably doing it around then. After the Independent Counsel was appointed and after and around the time that I got a grand jury subpoena based upon the so-called RTC meeting, I quit handling it altogether. Now, I think that's slightly later in March, if I recall.

Question. I think that was March 4th.

Answer. Well, that's close to March 2nd. After I became involved in that, I quit handling press inquiries. So this is around the time that I was transitioning out of it.

Question. Between March 2nd and March 14th, which is the date that Mr. Hubbell announced his resignation, do you recall any conversations you had with the President about Mr. Hubbell?

Mr. MURPHY. You can answer that "yes" or "no" just to start off.

The WITNESS. I don't recall, no.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall if you had any conversations with the President?

Answer. Again, if I was around the press, around the time of this article, I think he and I would have talked about it. But I don't remember whether we did.

Question. You have no general recollections of discussing Mr. Hubbell with the President prior to his resignation, then?

Answer. Again, you know, around the time these stories came out, if I was around the President, I would have said, "Did you see the stories" and we could have had a general conversation about it. Do I recall those conversations? No. I mean, it is only—again, I'm not recalling anything. I'm just saying that if, on the day of the Washington Post story, I saw them, I'm sure I probably said something to him about it.

Question. You don't recall seeing him or saying anything?

Answer. If I didn't see him, I don't recall, I don't think I ever made a special point of calling him or going to see him to talk about it. But if I was with him and saw him, we probably talked about it.

Question. But you can't recall even generally any conversations?

Mr. BALLEN. Objection. For the record, that's the third time the witness has been asked the question, and he has answered it each time.

The WITNESS. The conversation would have been no more than, you know, "Did you see the story? What do you think is going to happen?" You know, I don't know any more than that.

EXAMINATION BY MS. COMSTOCK:

Question. So the President never asked you to look into anything——

Answer. No.

Question. About Mr. Hubbell?

Answer. No.

Question. Or your opinion on Mr. Hubbell or anything like that that you can recall?

Answer. No. He knew my opinion of Mr. Hubbell.

Question. Had you discussed Mr. Hubbell's legal problems with the President prior to this?

Answer. No.

Question. What do you mean when you say——

Answer. Webb Hubbell is a friend of mine. The President knows that. He is a friend of the President's.

Question. But did he ever say to you "we need to look into this" or anything that led you to believe that there might need to be some evaluation of this matter?

Answer. No.

Mr. BALLEN. Objection. The witness has asked and answered it.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of Jim Blair looking into these matters for the President?

Mr. MURPHY. Webb Hubbell matter?

EXAMINATION BY MS. COMSTOCK:

Question. Webb Hubbell?

Answer. No.

Question. Were you aware of Jim Blair being in touch with anybody at the Rose Law Firm about Mr. Hubbell's problems with the firm?

Answer. No.

Question. Were you aware of Jim Blair talking with the President about Mr. Hubbell?

Answer. No. Later I became aware that apparently—and, again, this was through the press or something—that there was two or three conversations on, like, the Friday and Saturday, but I learned that all after the fact.

Question. That there were conversations with whom?

Answer. If I remember right, that Jim Blair and the President had a conversation, that Jim Blair then had a conversation——

Mr. BALLEN. Excuse me. Is this from reading the newspaper accounts?

The WITNESS. Yes. Again, I know no more about that than what is in the press.

EXAMINATION BY MS. COMSTOCK:

Question. Actually, I don't believe Mr. Blair's conversations with the President have been——

Answer. There's been a story somewhere that says, I thought, that said that Jim spoke to the President on, like, the Friday or the Saturday and then maybe spoke to Mr. Hubbell. I think that has been in the press.

Question. And your recollection is—and those are accounts very recently that Mr. Blair said that he had——

Answer. Right.

Question. That told people at the White House?

Answer. Right.

Question. But your understanding was he talked with the President?

Answer. I thought he did, yeah. I thought it was in the story. I'm trying to relate the story. So if it's not in the——

Mr. BALLEN. Mr. Lindsey, if you're trying to relate a story that we can all read, I don't think that serves——

Mr. MURPHY. You're not advancing the committee's inquiry.

The WITNESS. I have no knowledge, then, except what was in the press accounts. And the press accounts are obviously of what Mr. Blair said probably a better indication of what happened than my trying to recall what the press article said.

EXAMINATION BY MS. COMSTOCK:

Question. And at that time did you——

Answer. At what time?

Question. At the time prior to Mr. Hubbell resigning, you had no discussions with Mr. Blair?

Answer. No.

Question. And did you have any discussions with the First Lady about Mr. Hubbell?

Answer. No.

Question. Were there discussions in the counsel's office that you recall about Mr. Hubbell?

Answer. Again, not any sort of an official way. I mean, I may have—you know, I probably would have said something to Cheryl Mills or someone else once the stories were in there. But, again, it would have been talking about what was in the press, not about any sort of independent investigation or independent knowledge.

Question. But you don't recall the President or the First Lady ever expressing any concern to you prior to Mr. Hubbell's resignation?

Answer. About what?

Question. About any problems that he had with the Rose Law Firm?

Answer. I don't remember him expressing it to me, no.

Question. Were you aware of—do you have any knowledge of the First Lady being in touch with anybody at the Rose Law Firm?

Answer. No.

Question. Did you talk to Bill Kennedy about any knowledge he had about what the Rose Law Firm was doing with Mr. Hubbell? Did you ever talk to Bill Kennedy about the Rose Law Firm's actions regarding Mr. Hubbell?

Answer. I don't believe so. Again, I may have expressed to Bill or Bill may have expressed to me in general, you know, something about all of this. But he never imparted to me information, and I had no information that would not have been publicly reported for the most part.

Question. Because Mr. Kennedy was also a former partner at the Rose Law Firm; is that correct?

Answer. Yes.

Question. And so, you never heard about him saying, well, I've talked to so-and-so at the firm and here's what's going on? He never said anything like that to you?

Answer. No. I don't believe so, no.

Question. Did the President ever ask your opinion about whether Mr. Hubbell should resign or not?

Answer. I don't believe so, no.

Question. Did the First Lady ever ask your opinion?

Answer. No.

Question. Do you have any knowledge of who—actually, if anyone asked Mr. Hubbell to resign?

Answer. No.

Question. What is your understanding of how Mr. Hubbell came to resign from his Justice Department position?

Answer. He resigned. I don't have any knowledge beyond he resigned.

Question. It is your understanding he just woke up on March 14th and said, "I'll resign," or do you have any knowledge of any of the activities preceding that?

Answer. I have no knowledge of any of the activities preceding that. I don't know whether he woke up that morning or whether he thought about it the day before.

Question. Do you have any knowledge as to who he talked to about it?

Answer. No.

Question. Did he talk to you about resigning?

Answer. No.

Mr. MURPHY. That's been asked and answered.

The WITNESS. No. I mean, if he had, I would have some knowledge about it. No.

Ms. COMSTOCK. Make this March 2nd article Deposition Exhibit Number 20.

[Lindsey Deposition Exhibit No. BL–20 was marked for identification.]

[Witness confers with counsel.]

Ms. COMSTOCK. Are there any matters you wanted to clarify for the record?
Mr. MURPHY. No.
The WITNESS. I don't think so.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know Amy Stewart, who was in the Rose Law Firm?
Answer. I don't know who she is. I don't know her. I mean, I don't have a relationship with her.
Question. Were you aware of her being at the White House on or around May of 1993?
Answer. No.
Question. For an extended period of time?
Answer. No.
Question. Do you know Jerry Jones from the Rose Law Firm?
Answer. Again, I know him. I don't know him well.
Question. Did you have any knowledge of Mr. Jones or anyone else coming to Mr. Hubbell in 1993 to ask him about problems in the law firm?
Answer. I don't think I knew that in 1993, no.
Question. Did you only learn of that in press accounts recently?
Answer. Yes. I don't know how recently, but yes, press accounts.
Mr. BALLEN. Maybe it would help, for the record, rather than have you testify that when you learned about it in press accounts, simply I think what we're after here is your own personal knowledge. If you don't have any personal knowledge, say "no". If you do, say "yes".
The WITNESS. That's fine, and I'll be happy to do that. On the other hand, I was told at the beginning that if I knew about it, I should say that I knew about it. I don't—it is a lot easier for me to do that. I don't want to follow your instructions and her directions——
Ms. COMSTOCK. It is also possible that somebody at the White House could have said to Mr. Lindsey, I learned of such and such happening in 1993 and '94, and has imparted that to Mr. Lindsey. And he can tell us that, and that is personal knowledge he has of somebody telling him about these affairs.
The WITNESS. I don't believe anybody at the White House had told me that Mr. Jerry Jones had come to visit Mr. Hubbell. I believe I read it.

EXAMINATION BY MS. COMSTOCK:

Question. Did you ever have any conversations with the President about Mr. Hubbell after the resignation about his legal problems?
Answer. Again, if I did, it was in a very general sort of way, it wasn't—you know, it wasn't instructions from him or my imparting information to him. It would have been two people talking about, you know, "can you believe it" and "isn't it a shame," those sorts of conversations.
Question. And that's the entire extent of any discussion——
Answer. Yeah. I'm sorry, go ahead.
Question. That's the only type of conversation you ever had?
Answer. Yeah. We never had a specific conversation about, you know, Webb's legal problems or what to do about them or, you know, what Webb's going to do about them or anything else. It would have been two friends simply talking about a third friend saying, you know, "it is a shame what's happened to him, it is a shame what's happened to his family. Can you believe it happened? Can you believe he did this," that kind of stuff.
Question. This is a March 1994 Washington Post article in which it relates that all 28 partners of the Rose Firm agreed to send a complaint to the Arkansas Supreme Court Committee on Professional Conduct.
Do you recall any general discussion on the fact that the whole firm had sort of united against Mr. Hubbell on issues like that?
Mr. MURPHY. Any conversations with who?

EXAMINATION BY MS. COMSTOCK:

Question. With the President?
Answer. No.
Question. Or the First Lady?
Answer. No.
Question. Do you recall any curiosity on the part of the President or the First Lady as to, you know, why all 28 partners of the firm were suing Mr. Hubbell, that they might, just a general curiosity, want to go know why?

Mr. MURPHY. Objection to "suing". It doesn't say, I don't think, they were going to sue.

Mr. BALLEN. I'm also going to object, because the witness has already testified that he recalls no conversation——

Ms. COMSTOCK. I'm wondering if he has a general curiosity.

MR. BALLEN. Could I finish my objection, please? Would that be possible? You interrupted me. I was in the middle of a sentence. If the witness testified that he recalls no conversation about it, he stated there was no conversation, why would he recall any curiosity if he already testified there was no conversation?

I'll object to the question as being asked and answered already.

Ms. COMSTOCK. And I'm showing the witness an article from March 19, 1994, certain matters about the firm, and asking if it refreshes his recollection to see if he can recall any sense of curiosity that he recalls, not any particular conversations, but if there was any curiosity as to what was going on with the matters involving the Rose Law Firm.

The WITNESS. Barbara, the problem I'm having is that I don't recall a conversation where he said or I said, "Can you believe all 28 people did this?" So if that's what you're asking is did we have a general conversation like "can you believe everybody did this?" I don't—I don't recall that.

EXAMINATION BY MS. COMSTOCK:

Question. Given that all 28 members of the firm, partners, had agreed to send this complaint, was there—did that change people's view at the White House that maybe Mr. Hubbell's account, which to that date apparently was just a dispute versus the 28 people, that maybe his account, what he had told you at the White House, wasn't accurate? Was there ever any concern expressed like that in the spring or summer of '94?

Answer. I do not believe that the fact that all 28 partners signed the ethics complaint ever was a factor in people's views of what had happened caused them to change—caused anyone to change their view as to who was right and who was wrong.

Question. So there was no change——

Mr. MURPHY. Excuse me.

[Witness confers with counsel.]

The WITNESS. At some point around this time, a lawyer in Arkansas named David Matthews contacted me and told me that there was a division within the law firm as to what to do about this and he didn't know which way the law firm was going to go.

David Matthews is a lawyer in northwest Arkansas. And I don't know quite who he was talking to about this, but he indicated to me there was a division. And, you know, so I don't believe, you know, the fact that once a decision by the law firm to do this was signed by all 28. I'd actually be surprised, once the firm had made a decision to file the ethics complaint, that it wouldn't be signed by all 28. I mean, you know, if it was my firm and I was on the side that didn't want to do it and I got out-voted, I think I would be prepared to sign on to it.

So I did not put any stock in the fact that there were 28 persons versus—what is one-half plus one—15 people who signed the ethics complaint. Because I understand from David Matthews that there was a division within the firm as to whether or not they should or shouldn't do this.

EXAMINATION BY MS. COMSTOCK:

Question. And who is David Matthews?

Answer. He's just a lawyer in northwest Arkansas.

Question. So when I asked you about lawyers you may have talked with in Arkansas, David Matthews is a person you may have talked to at some point, but you don't recall?

Answer. You asked me whether or not I talked to lawyers. I learned about it before the March 2nd event. I do not believe my conversation with David Matthews occurred before the March 2nd event.

Question. You think this occurred after March 2nd?

Answer. I think it occurred around the time that the firm issued the ethics complaint. I think David Matthews indicated to me after these stories were public that people he was talking to inside the firm indicated that there was this big division in the firm as to what to do about this and that they were going to have a meeting to decide what to do and he didn't know which way it would go, whether they would file an ethics complaint or not file an ethics complaint.

Question. Do you recall how this conversation with Mr. Matthews came about?

Answer. I think he called me to tell me that.

Question. Had you reached out to him before that?

Answer. No.

Question. So he just called you up one day about this?

Answer. Yeah, and said, you know, you should know—again, this is not verbatim, this is the essence—you should know that the firm may file an ethics complaint against Webb. There is a big debate going on within the firm; and, you know, I don't know how it is going to turn out, but it may turn that there's an ethics complaint filed.

Question. And did you relate that to anybody at the White House?

Answer. Again, I don't—I don't know. Again, if I saw the President, I may have told him that the Rose Firm may end up filing an ethics complaint. I don't recall whether I did or not. I would not have gone—again, I did not go out of my way to tell him. But if I saw him, I probably would have related that to him.

Question. Did you consider that a serious matter?

Answer. For Webb it was a serious matter if they filed an ethics complaint. The mere fact that they were debating it, if you read any of the stories that were coming out about this time, you will know there was a conflict within the Rose Law Firm about what to do and, you know, two sides and everything. So again, you know, if you're a lawyer and your law firm files an ethics complaint, that's a serious matter. Whether or not I considered it to be, you know—it didn't change the equation very much. Because, based upon the stories, I had a sense that that sort of debate and discussion was going on within the law firm.

[Witness confers with counsel.]

EXAMINATION BY MS. COMSTOCK:

Question. How long have you known Mr. Matthews?

Answer. Fifteen years.

Question. What firm is he with?

Answer. He is either a solo practitioner or he's with one or two other people. He practices law in a small town in northwest Arkansas.

Question. And is he a friend of the President or First Lady?

Answer. President, probably both.

Question. Do you know how long he has known them?

Answer. No. As long as or longer. Because, you know, the President was in Fayetteville, which is in northwest Arkansas, before he moved to Little Rock. So my guess is that he has known them since when the President first came to Arkansas, came back to Arkansas.

David Matthews was a member of the State legislature at one point.

Question. And did you have a sense of who he was talking to at the firm?

Answer. No.

Question. All right. Other than telling you about the division, did he give you a sense of what the details were that were involved?

Answer. No. Again I think the details or at least the issue was out there. You know, I think this all occurred after the March 2nd, so I think the general issue about whether or not, you know, this billing dispute with his father-in-law was the issue that I thought was out—was in the press and everything, so I think I thought I knew what the issue was.

Question. Did you ever ask him if this would spill over or have any effect on any matters relating to the First Lady in the law firm?

Answer. No, no, I had no sense it would.

Question. And that never was a point of discussion with anybody?

Answer. No.

Question. At the White House or anything like that?

Answer. No. This personal to Webb.

Question. So your understanding was then these are matters just related to Seth Ward?

Answer. Yes.

Question. And was that the POM case?

Answer. Right.

Question. And so it didn't have anything to do with any other matters where Seth Ward was represented by the firm?

Answer. I don't know of any other matters that Seth Ward was represented by the firm.

Question. Or had any dealings with——

Answer. I thought it had to do with the POM lawsuit. Park-O-Meter.

Question. Do you have any knowledge of Mr. Ickes ever doing any work for POM?

Answer. No.

Question. Do you have any knowledge of Vinson & Elkins working on the Rose Law Firm matter?

Answer. Yes—I mean, it was in the press that they had hired Vinson & Elkins.

Question. Do you ever have any contact with anyone at Vinson & Elkins about any of these matters?

Answer. No.

Question. Do you know a gentleman named Mike Schaufele or Schaufele?

Answer. Yes.

Question. Did you ever discuss Mr. Hubbell's resignation with Mr. Schaufele?

Answer. No.

Question. Were you aware of him setting up any trusts for Mr. Hubbell?

Answer. Again, after the fact—I knew it has been reported in the press—established like, I guess, two trusts, one for the kids' education and one for living expenses.

Question. Did you ever have any discussions with David Kendall about Mr. Hubbell's legal situation?

Answer. Again, if I did, it was in the nonspecific category of us talking about it. I never had any conversations with him other than, you know, sort of isn't it a shame type.

Question. Because you have testified previously you had discussions with Mr. Kendall about Whitewater legal matters; is that correct?

Mr. BALLEN. I'm going to object.

EXAMINATION BY MS. COMSTOCK:

Question. I'm not going to go into that area, I just wanted to distinguish between your discussions with Mr. Kendall were not of the type that you had of Whitewater, but these were just sort of, gee, did you see the newspaper article type of discussions?

Answer. Right.

Question. So they would be not of the nature of the discussions that you had regarding Whitewater, where you did have substantive discussions with Mr. Kendall about Whitewater; isn't that correct?

Mr. MURPHY. Mr. Lindsey has testified about that subject in the past.

Ms. COMSTOCK. Well, we're not going into that here.

I just wanted to distinguish between the two and to see if in your mind the two are very different types of communications.

Mr. BALLEN. Well, I believe the witness' testimony, he doesn't recall any conversations with Mr. Kendall. He was just speculating that if he had, it would have been of that nature.

The WITNESS. That's correct. You know, I would not say that my conversations with David with respect to Whitewater had been all that detailed. I have more knowledge about Whitewater than I do about Hubbell. So to the extent that I had conversations, they would probably be more extensive with respect to Whitewater, but I would not—I'm having a little trouble making the distinction, because I don't think—I'm having trouble remembering very detailed conversations I ever had with David about Whitewater. You know, I sat in a meeting in which we all imparted all of our information, but beyond that sort of general meeting that we had, I've not had multiple conversations with Kendall about Whitewater.

Question. Were you aware of any efforts by Mr. McLarty to assist Mr. Hubbell with employment after he left the Justice Department?

Answer. Only what I've read in the paper.

Question. The March 13, 1994 meeting at the White House that was the Sunday before Mr. Hubbell resigned, do you recall if you were at the White House or around on that day?

Answer. No, I do not.

Question. Have you ever talked to Mr. McLarty about Mr. Hubbell's employment after the Justice Department?

Answer. No.

Question. To this day?

Mr. BALLEN. I'm sorry, what was the question?

The WITNESS. Whether I've ever discussed with Mack his efforts on behalf of Webb, and the answer was no, and then the question was, to this day?

I don't recall ever speaking to Mack about his efforts. But again, other than just if we had a conversation, it would have been nothing more than, no good deed goes unpunished. I mean, it would have been more of a general lament than it would have been a discussion.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. Were you aware of any discussions at the White House about law firms being reluctant to hire Mr. Hubbell after he left the Justice Department?

Mr. MURPHY. I'm sorry, discussions with whom?

EXAMINATION BY MS. COMSTOCK:

Question. With anybody at the White House?

Answer. I don't recall.

Question. Were you aware—what was your understanding of what Mr. Hubbell was going to be doing after he left the Justice Department?

Answer. I don't know if I had an understanding. I mean, I knew at some point he opened an office, or, you know, he was given office space by Michael Cardozo, but I don't know—you know, I don't know what his plans were.

Question. And how did you learn of that?

Answer. I don't know. Webb may have told me; someone else may have told me that he had an office at Michael's office.

Question. All right. After Mr. Hubbell resigned, did you talk with him about his resignation or any matters related?

Answer. About his resignation, no.

Question. Or about what he was going to do?

Answer. No, not——

Question. When was the first time you recall seeing him after he resigned?

Answer. I don't recall. I mean, I had—I saw Webb off and on mostly at large group gatherings in '94 up until the time he went to jail, but I can't tell you when the first one was or the second one or, you know.

Question. So you continued to see him in a social setting?

Answer. Sure, yes.

Question. Every week, every few weeks?

Answer. Probably less, probably more like once a month—that may even be too much. I mean, there may be 2 or 3 months I wouldn't see him, and, you know, I'd go to somebody's house for Fourth of July, and, you know, there would be a Fourth of July gathering, he would be there. There would be a lot of the Arkansans, Thanksgiving, whatever.

Question. Okay, and who was included in that—did you have a regular—is it a Tuesday night group or group that you all got together?

Answer. We did back early on, but that lasted less than 6 months, into '93, but we did have a group of most of the Arkansans who came up to events: Webb, me, Marsha, Maria Haley; you know, most of the Arkansans who came to the White House. But that lasted less than 6 months.

You know, I mean, Marsha Scott might have a Thanksgiving group over for dinner on Thanksgiving Day, and all the Arkansans who hadn't gone home for the holidays would be invited plus a lot of Washington people as well. But, I mean—you know—or I remember sometime in the fall that the Hubbells had something at their house that I went to. I think it was some holiday because we were watching football or something. So, I mean, you know, I would have dinner with different people, and the Hubbells would be included.

Question. And do you recall Mr. Hubbell, I guess his wife, being invited to the First Daddy's birthday party in October in '94, that year?

Answer. I don't recall that, but I wouldn't be surprised.

Question. When you mention Thanksgiving, do you recall Thanksgiving of '94, that time frame, if there was a gathering at that time Mr. Hubbell was involved in?

Answer. Usually Marsha Scott had a group of people over at Thanksgiving. Whether she had a group over or whether that's the time I remember that we had dinner at Webb's, I can't recall. It was some holiday. I thought that we had brunch or lunch at Webb's.

Question. Okay. Were you aware of Mr. Hubbell being in touch with the President and First Lady around Thanksgiving time, '94, to discuss what he was going to do, about whether he was going to plea or what he was going to do with his legal situation?

Answer. No.

Question. Did there come a time when you learned that he had had a discussion with the President and First Lady about whether or not he should plead guilty?

Answer. I don't recall. You know, if I did, it was through the newspapers, and I'm trying to remember whether there was an article in the newspapers that indicated that he either—I don't know, he saw him or related to one or the other that he was going to plead guilty.

Question. Okay, and did you have any knowledge of the First Lady telling him that she thought he should fight the charges?

Answer. Again, I vaguely feel like I've read that somewhere, but I have no personal knowledge.

Question. You don't recall any conversations among people at the White House about that the First Lady was in Webb Hubbell's camp as opposed to the Rose Law Firm camp that was trying to get money from Mr. Hubbell?

Answer. No.

Question. Did you ever—were there ever any such discussions about—with anyone at the White House about the allegations involved a lot of money—the partners were out a lot of money at the firm, and Mrs. Clinton and actually Bill Kennedy were both partners who would have been shorted such money? Do you recall generally any such discussions about where they were going to fall in terms of wanting to recoup any financial losses vis-a-vis Mr. Hubbell?

Answer. No.

Ms. COMSTOCK. Congressman Kanjorski has joined us this afternoon, and would you like to take—ask questions at this time?

Mr. KANJORSKI. No, that's all right, just follow.

Ms. COMSTOCK. Okay, I'm sorry.

EXAMINATION BY MS. COMSTOCK:

Question. So your testimony is you don't recall any such conversations about recouping any money from the firm or anything like that?

Mr. MURPHY. Whether Mrs. Clinton or Bill Kennedy wanted to try to recoup funds from Mr. Hubbell?

EXAMINATION BY MS. COMSTOCK:

Question. Whether there was any discussion in the White House about such matters.

Answer. No, I don't recall.

Question. Were you aware of any discussions about any settlement offers that Mr. Hubbell made throughout the 1994 time period after he left the Justice Department?

Answer. No.

Question. Okay. Do you know John Richardson, Peggy Richardson's husband, I believe—IRS Commissioner——

Answer. I'm sorry, I didn't hear the question.

Question. John Richardson?

Answer. I know him—I've met him with his wife, but I don't know him.

Question. Okay. Do you have any recollection of him calling you regarding Mr. Hubbell——

Answer. No.

Question. At or around April of '94?

Answer. No.

Question. Do you have any knowledge of Mr. Richardson assisting Mr. Hubbell in any way with any law firms or trying to get him work?

Answer. No, I don't think so.

Question. I just wanted to go through some of the other employers of Mr. Hubbell and see if you have any knowledge to any of those.

Do you know Jack Williams?

Answer. Yes.

Question. And how long have you known Mr. Williams?

Answer. I don't know. Pretty well since 1978.

Question. Okay, and did you have any knowledge of him assisting Mr. Hubbell in any way with any consulting contracts or work in 1994?

Answer. No.

Question. Do you have any knowledge of Mr. Hubbell working on any matters related to Pacific Telesis?

Answer. No.

Question. Do you have any knowledge about Mr. Hubbell working on anything for the Sprint phone company?

Answer. No. I mean, you're talking about at the time?

Question. Yes, at any time prior to press—other than press reports?

Answer. No.

Question. Okay. And then I would also include other than press reports, or if anyone at the White House has told you, yes, I knew about this, and he got that through somebody. I would include that. I'll exclude solely reading it in the paper.

Answer. No.

Question. Do you have any knowledge of Mr. Hubbell doing any work for McAndrews & Forbes?

Answer. No.

Question. Do you have any knowledge of Mr. Hubbell doing any work for Mid-America Dairymen?

Answer. No.

Question. Do you have any knowledge of Mr. Hubbell doing any work for Sun America?

Answer. No.

Question. Do you have any knowledge of Mr. Hubbell doing any work for Truman Arnold?

Answer. No.

Question. Okay. Do you know Mr. Arnold?

Answer. Yes.

Question. Okay. Were you aware of him being in touch with Mr. Hubbell in the months following Mr. Hubbell's resignation?

Answer. Yes, I probably had dinner with the Arnolds and the Hubbells during that period.

Question. And in the course of these dinners, did you ever learn that Mr. Hubbell was working on any matters?

Answer. No.

Question. All right. Did you ever meet a Mr. Wayne Reaud?

Answer. I had dinner with him one night, yes.

Question. Okay. At Truman Arnold's house?

Answer. No, at a restaurant here.

Question. And how did you come to might meet Mr. Reaud?

Answer. Reaud. I believe——

Question. Sorry, it's R-E-A-U-D.

Answer. I believe I was asked by maybe Truman that they were having dinner at a restaurant on Pennsylvania Avenue, which I'm drawing a blank on the name, and asked me to join them, and when I got there, Wayne Reaud was one of the people at the table. I don't even remember whether the Hubbells were at the table or not. I don't remember that.

Question. Do you have any knowledge of him hiring Mr. Hubbell for any kind of consulting work?

Answer. No.

Question. Okay. Do you know Bernard Rapoport?

Answer. Yes.

Question. And how long have you known Mr. Rapoport?

Answer. Oh I've known—you know, I don't know him well. I've known him off and on, oh, 8 years or so. I mean, he's a big supporter of the President's.

Question. And do you have any knowledge of him hiring Mr. Hubbell to do any work?

Answer. I don't think I did, no.

Question. You seem to hesitate. Was there——

Answer. Well, at some point in '96, during the '96 campaign, B. Rapoport told me that he had helped Webb's children, and my understanding of that was that he had contributed money for their education. That's the only knowledge I had about that B. had tried to help Webb. I did not have any knowledge until I read it that he had hired Webb separate and apart from helping making a contribution to the trust to help the kids.

Question. And what did he tell you about the——

Answer. I think he indicated that he had tried to help Webb educate his children.

Question. Do you recall how this came up?

Answer. No, I think we were in the middle of—I think we were in Texas during a political stop in the fall campaign, and he and I were just talking, you know, and he said something like, I tried to help Webb, you know, I helped support, you know, educate his kids.

Question. Do you recall if this came up in the context of news articles about Mr. Hubbell in the fall of '96?

Answer. I'm trying to remember when B. was—no, I don't know if it came up in any particular context. I mean, I think he was just talking in the course of the conversation, said something, but I don't remember what the predicate was for it.

Question. Did he ever mention that to the President or the First Lady?

Answer. I don't think so.

Question. Did you ever talk with Mr. Hubbell about that?

Answer. No, Mr. Hubbell was in jail.

Question. Did you keep in touch with Mr. Hubbell when he was in jail?

Answer. I spoke to him once.

Question. And what was the context of that conversation?

Answer. How you doing? You know.

Question. You called him or——

Answer. No, he called—I was at a party, and he called his wife, and several of us spoke to him. It was Thanksgiving, probably, of '95. Several of us spoke to him probably for less than—maybe Easter, but basically I just got on the phone, said, you doing okay? We're going to take care of Suzy, and the kids seem to be okay.

Question. Okay. You're aware of Mr. Rapoport being in touch with Mr. Hubbell about a conversation that he had with you?

Answer. Hum-um.

Question. Were you aware of Mr. Arnold or Mr. Rapoport, any efforts they were going to make to help Mr. Hubbell after he got out of jail?

Answer. No.

Question. Do you know a John Moores, San Diego Padres?

Answer. I met him—I don't know him.

Question. Were you aware of him hiring Mr. Hubbell to——

Answer. No.

Question. Were you aware of Mr. Arnold talking to Mr. Moores about hiring Mr. Hubbell?

Answer. No.

Question. Do you know C.W. Conn?

Answer. I met him. I don't know him.

Question. Did you meet him—I want to go back. Did you meet Mr. Moores with Mr. Arnold; was that the context of meeting Mr. Moores?

Answer. I met Mr. Conn and Mr. Moores at a party at Mr. Arnold's house.

Question. And then you also said that you met Mr. Reaud or Reaud, however his name is pronounced, also with Mr. Arnold?

Answer. Right, but not at that same party; at a restaurant on Pennsylvania Avenue.

Question. Okay. But you had no knowledge of Mr. Hubbell doing any work for C.W. Conn?

Answer. No.

Question. What was your understanding of how Mr. Hubbell was going to be supporting himself in that—after he—the Justice Department?

Mr. BALLEN. Objection. This has been asked and answered. The witness testified he had no understanding. If your answer has changed since the last time you were asked the question——

The WITNESS. No, I had no understanding. You know, I knew he was trying to make a living. I didn't know who he was trying to make a living from or how much of a living he was making.

EXAMINATION BY MS. COMSTOCK:

Question. Well, when you saw him once a month or every 3 months, did you ever discuss with him what are you doing or——

Answer. No.

Question. Did you ever discuss with Marsha Scott like, is Webb employed, or is he not employed?

Answer. No, I think Marsha and I probably had general discussions about, you know, boy, it must be tough on them, but, you know, I don't think I ever had specific conversations about who he was working for or what he was doing or how much money he was making.

Question. Did you have an understanding if he had an income at all?

Answer. No, I—you know—you know, again, I don't—I had no idea who his clients were or whether he had clients, who they were or whether he was making any money.

Question. All right. And did there come a time when Mrs. Hubbell asked you for any assistance in getting a job at the Interior Department?

Answer. No.

Question. Do you know anything about how Mrs. Hubbell came to her job at the Interior Department?

Answer. Well, Mrs. Hubbell had a job at the Interior Department. She took a leave of absence. On the day she announced that she was coming back from her leave of absence, or she shoved back out from her leave of absence, she showed up at the Interior Department and apparently was told that she couldn't come to work because the White House hadn't cleared her coming back to work.

She called me as well as other people, I think, in the White House to try to find out what was going on. I told her I didn't know what was going on and I would try to find out. I went down to—I think talked to Erskine, who I think had also gotten a call from her or somebody over there, and was told that it was taken care of. But it was she already had a job at the Department of Interior, she had just taken unpaid leave.

Question. Were you aware of Mr. Hubbell meeting with Tom Collier at the Interior Department?

Answer. No.

Question. Do you have any knowledge of what Mr. Hubbell would have been meeting with Mr. Collier about?

Answer. No.

Question. And during these months after Mr. Hubbell left the Justice Department, did at any time you have discussions or hear of discussions about Mr. Hubbell and how he was supporting himself, discussions that other people had?

Answer. Not specifically. I mean, I may have had discussions with Marsha about, you know, it's going to be tough on them, but I don't, you know—but I had no discussions about who his clients were or whether he had clients.

Question. During that time frame did you have any sense of any growing legal problems that he was having in connection with the—with Mr. Fiske, or then as of August '94 it was Mr. Starr?

Answer. Again, I can't recall. Anything I would have learned about growing legal problems would have been in the press.

Question. Okay. You never heard anything at the White House about any of Mr. Hubbell's legal problems with the Independent Counsels?

Answer. No.

Question. Okay, no discussion even about newspaper articles or anything like that?

Mr. BALLEN. Objection.

The WITNESS. Yeah, we—you know, we may have had—you know, if we saw an article, you might say to someone, did you see the article about Webb? But no discussion that suggested any level of knowledge over and above what was reported in the newspaper.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of Mr. Hubbell meeting with the President in July of '94 at Camp David to discuss any matters——

Answer. No.

Question. Related to his legal situation?

Answer. Well, I don't think that was—what I have read about it, I don't think that's a proper characterization of their meeting, but no, I did not know that they had gone to Camp David over the Fourth of July holiday.

Question. And did there come a time when you learned—is it only through news accounts that you know of that Camp David meeting?

Answer. Yes.

Question. So you never heard from anybody at that time the President was going to meet with Mr. Hubbell?

Answer. No.

Question. Okay. At that time after Mr. Hubbell left the Justice Department and—actually the March 19 article—March 2nd, when he was discussing the Independent Counsel's interest, not of Mr. Hubbell, but that came later in the summer, some interest in that, did you ever hear—did anyone ever, as a result of anything that was in the news, ever recommend to the President that he shouldn't meet with Mr. Hubbell during this time frame?

Answer. Again, I don't know the answer to that. Since I didn't know he was meeting, I don't know——

Question. No, I'm not asking about the meetings, but have you ever heard, you know, like maybe you shouldn't meet; not whether you heard about a particular meeting, but whether there was any general discussion about whether or not Mr. Hubbell should be at the White House or be at events, that kind of thing?

Answer. I was unaware of that. No one had that discussion with me, and I was unaware of those discussions if they occurred.

Question. In June of '94, there were a number of meetings where Mr. Huang and Mr. Riady came to the White House. Were you aware of the Riadys, James Riady or John Huang meeting with anybody at the White House at or around June of '94?

Answer. Without some sort of anchor as to—I think the answer is no. Again, I would see John Huang and James Riady at various times in the hallway. I would

stop and say hello to them. So it is possible I would have seen them in and around the White House during that time frame. But again, there is no way for me to relate when I would see them in the hall with any particular month or even year.

Question. Okay. When you saw Mr. Huang, was there ever any discussion on, you know, how's your appointment coming along, or where is that; you know, did he ever have any discussions in '94 about him getting a job in the administration?

Answer. No.

Question. Just if you ran into him, like has anything happened yet, anything like that?

Answer. No, I mean, at some point I assume I knew, though I couldn't tell you when, that he was over at the Department of Commerce, but I had no sense, you know, as to when he went over there or what the status at any point of his appointment was.

Question. All right. And Mr. Hubbell got his 100,000 or so from the Lippo Group in late June of '94. Did you ever hear anything about that prior to press reports?

Answer. No.

Question. Have you had any discussion with anybody at the White House since the press reports about those matters about Mr. Hubbell getting that amount of money from the Lippo Group?

Answer. No.

Question. And that would include the President and the First Lady on that also?

Answer. Yes.

Question. I just wanted to go through some other employers. Did you have any knowledge of Time Warner hiring Mr. Hubbell to do anything?

Answer. Not at the time, no.

Question. Do you know Michael Berman?

Answer. Yes.

Question. Okay. Prior to the press reports of Michael Berman assisting Mr. Hubbell getting Time Warner, did Mr. Berman ever tell you anything about that assistance?

Answer. No, not prior to the press reports.

Question. Okay. So at or around the time when Mr. Hubbell pled guilty in December '94, Mr. Berman never called you up about anything relating to this?

Answer. No, not that I recall.

Mr. BALLEN. Could we take a break on this point?

Ms. COMSTOCK. Sure.

[Brief recess.]

EXAMINATION BY MS. COMSTOCK:

Question. Okay. You had mentioned that you thought you attended dinner with Truman Arnold and the Hubbells at some point?

Answer. At least one.

Question. And the reason I ask is I have a document from April 5th of '94 that Mr. Arnold produced that shows a dinner, and the following morning he calls Mr. McLarty about Mr. Hubbell. So I was just wondering if you can recall if in the course of the dinner any discussion with Mr. Hubbell came up about any type of work he might be doing for Mr. Arnold?

Answer. Is that a dinner I attended?

Question. Yeah, the April 5th one is Bruce Lindsey, the Hubbells and Erskine Bowles. Does that ring a bell that Mr. Bowles was there?

Answer. I'm thinking that maybe the one—you know, that was at this restaurant, but I'm not sure of that because if I remember right, Erskine—I came late because I came from the White House, and I think Erskine came even later than I did, but again I don't remember any discussion of any substance at the dinner.

Question. This was just a social occasion?

Answer. Right.

Question. Mr. Arnold didn't discuss his business or anything he was doing in Washington?

Answer. No. I mean, he lived here at the time, he had a house here, but no, he was—he was finance director, I guess, of the DNC at that time, I think. was that before he was finance director?

Question. I don't know.

Answer. Anyway, he had a presence here anyway. We did not discuss business.

Question. Um-hum. And do you know who Tony Harrington is?

Answer. Yes.

Question. And who is he?

Answer. Tony Harrington is a partner at Hogan & Hartson.

Question. And do you recall him calling you about Mr. Hubbell at any time?

Answer. No.

Question. Do you recall ever talking to him about Mr. Hubbell going to Hogan & Hartson?

Answer. No.

You know, I had conversation, and again, I don't believe it was Tony Harrington, but it may have been with John Richardson, which made me think about it. I had a conversation with one person in which they indicated to me that no law firm or very few law firms were going to be willing to hire Webb until such time as his problems were resolved at his law firm.

Again, he was no more specific than that. It was just—and I don't quite know what the context of it coming up was, but someone at one time said, you know, there is no law firm here that is going to look at him until he gets his problems worked out.

Question. And do you recall that was either Mr. Richardson or Mr. Harrington?

Answer. No. I don't know, I don't think—I don't recall any conversation with Tony Harrington. When you mentioned did you ever talk to John Richardson, it could have been a conversation with John. It could have been with a third party, I don't know. The only conversation I remember having at all about—about Webb going to work anywhere was someone just telling me that, you know, that they didn't think any law firm would take a look at him until he got his problems solved with the Rose Law Firm. But I don't remember who it was or when it was, but it is the only conversation I recall having with anybody about employment opportunities for Webb.

Question. Okay, and did you ever relay that to anybody at the White House?

Answer. No. I mean, it was self-evident in a way that if you were having a dispute with your law firm in Little Rock, not many other law firms are going to go out and hire you. It was not—you know, it was not surprising to me. It was, you know—so, no, I don't think I related it to anybody.

Question. Did you ever discuss that with Mr. Hubbell?

Answer. No.

Question. Did you have an understanding of Mr. Hubbell working during this time, like sort of sitting at a desk doing some type of work?

Mr. BALLEN. I'm going to object because the witness said he already testified three times now that he did not have an understanding of what work, if any, Mr. Hubbell was doing.

The WITNESS. That's correct. I mean, I had a sense that he had a desk and an office, or a desk at least, if not an office, but I didn't know whether he—how often he went there or what he did when he got there.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. You didn't know if he was regularly getting up, going to work, sort of 9 to 5, anything like that?

Answer. No. You know, I mean, obviously—if you're trying—if you're trying to get work or find work, you know, it's better to sort of have a place to, you know, to go every day than it is to be sitting around at home in your housecoat. But I had no idea how often he went there, when he got there, whether or not he had clients, or whether or not he just used it as a way to take messages, looking for clients.

Question. And during that time if you had to reach him, would you call home or his office?

Answer. I don't have any sense. I don't know if I ever tried to reach him.

Question. Were you aware of Marsha Scott being in touch with him during this time?

Answer. Sure.

Question. Would Ms. Scott relate to you conversations she had with Mr. Hubbell?

Answer. No.

Question. Did she ever tell you anything about what her understanding of his work was?

Answer. No. Again, I testified earlier that if there was any person in the White House that I would have had a general conversation about Webb's situation, you know, how tough it was going to be on his family and how tough it must be on his family, it would have been Marsha. But I don't remember any conversation more than general, you know, isn't it a shame type of conversation.

Question. And did you have any knowledge of Mr. Hubbell traveling to any foreign countries during this time frame, spring/summer/fall of '94?

Answer. No.

Question. All right. Do you know John Phillips and Linda Douglas?

Answer. Yes. Not well, but I know who they are.

Question. Were you aware of Mr. Hubbell being asked to do some writing for the Consumer Support and Education Fund by Mr. Phillips?

Answer. Not at the time.

Question. Okay. Were you aware of Phillips taking a vacation with the Hubbells and paying for some of that vacation?

Answer. I don't think so, no.

Question. Okay. When was the first time you learned of the John Phillips matter, the work he did for the Consumer Support and Education Fund?

Answer. The work he did or didn't do?

I think after it came out in the press that he was writing a book, I think I learned that John Phillips was unhappy that Webb had agreed to do some writing for his project and that he hadn't done it, and now he was writing a book. And so I think I just learned of that, sort of a general unhappiness on John Phillips' part.

Question. Do you recall how you learned that?

Answer. Probably Mickey Kantor.

Question. Okay. And what did Mr. Kantor tell you?

Answer. I think what I just said, you know, that John—that Webb had agreed to do some writing for John, and, you know, that he hadn't done it, and now he was writing a book, and he was being paid supposedly, I guess, some sort of—what's it called—an advance, thank you, for the book.

Mr. BALLEN. Sir, do you recall what time this was approximately that you learned this?

The WITNESS. It would have been after Webb went to jail and after it was announced in the press that he was—that he was writing a book. But again, beyond that I can't tell you.

EXAMINATION BY MS. COMSTOCK:

Question. I think the fact he was writing a book was announced sometime about when he went to jail, around——

Answer. Early '96, but anyway—because if I remember right, the book was supposed to come out like in July of '96, and it was maybe 6 months or so before that. I don't remember. When did he go to jail?

EXAMINATION BY MS. COMSTOCK:

Question. August '95.

Were you aware of Mr. Phillips paying back the Consumer Support and Education Fund for the advance that had been given to Mr. Hubbell on that matter?

Answer. I think so, yes. I think that was reported in the press that he had done that.

Question. Did Mr. Kantor mention anything about that to you?

Answer. I don't believe so.

Question. Okay do you recall how this came up in the discussion with Mr. Kantor?

Answer. No. I believe—I'm sort of speculating that I saw him in the hall and said something to him about, I see we're—Webb's writing a book. Did you know about it or something? He said no, and in the course of that conversation, he said that John Phillips was unhappy because he didn't know about it and that Webb had agreed in writing for him, and that, you know, he hadn't done it, and now he was writing this book. I think it was just my asking Mickey in general whether he knew or was aware that this book deal was out there.

Question. Were you aware of Mr. Kantor assisting Mr. Hubbell in any way to find employment?

Answer. No, not at the time.

Question. Okay, and did there come a time when you learned that Mr. Kantor had assisted him in any way?

Answer. I think that has been in the press, so I don't believe I became aware of it until it was in the press.

Question. Have you ever discussed anything with Mr. Kantor about whether or not he helped Mr. Hubbell?

Answer. No.

Question. Did there come a time when you learned that Mr. Hubbell was doing some work for the LAX airport in the city of Los Angeles?

Answer. Yes, what was in the press.

Question. All right. And prior to that had you ever heard anything about Mr. Hubbell trying to get payment?

Answer. No.

Question. Had Mr. Kantor ever said anything to you about Mr. Hubbell having problems getting paid by the city of Los Angeles?

Answer. No.

Question. Do you know somebody named Lisa Specht?

Answer. No.

Question. Okay, and you had worked on the LAX matter some, and during the course of your working on that, you had never learned that Mr. Hubbell was representing the city?

Answer. No.

Question. And so the answer is that you had provided previously to the committee last year, those are accurate, and you have nothing you want to change in regard to any of this?

Answer. No.

Question. Okay.

Answer. Didn't know about it last year, don't know about it this year.

Question. Okay. We'll skip through that.

When did you first hear that Mr. Hubbell was going to plead guilty to two felony counts of mail fraud and tax evasion?

Answer. Well, those are two different questions. I'm not sure I knew until the day he pled what he was pleading guilty to. So the question is when I became aware that he was pleading to those counts, it would have been the day—if there was a story 2 or 3 days before that in the press, which I think there was, I probably learned that he was going to plead guilty or was expected to plead guilty at that point.

Question. All right. Do you know if Mr. Neel had called the White House Counsel's Office to just give anyone a heads up on Mr. Hubbell pleading to anything in general?

Answer. Again, you know, I'm not aware of that.

Question. Okay. And after the guilty plea, did you talk to Mr. Hubbell about in general the legal matters in light of that he was pleading guilty?

Answer. No.

Question. Were you surprised by the guilty plea?

Answer. Yes. I was surprised by the allegations and the amount of money involved, yes.

Question. And did you ever talk with him about that?

Answer. No. I don't know if you or anybody ever plea guilty, but it's not something that you bring up and discuss with him, no.

Question. Fortunately, no.

Answer. I mean, it's something you avoid, not something you want to get into discussion about.

Question. But given that he's been a longtime friend of yours and all, and he had told you all that there wasn't anything to this once; isn't that correct?

Answer. Hadn't told me that, you know——

Question. Told others at the White House?

Answer. Press reports said that's what he told the President, you know. I mean, you know, the only thing—I'm trying to remember when I knew about anything more than just simply this so-called billing dispute, you know. I mean, the allegation that he had, you know, that he had charged expenses, personal expenses, to clients or charged personal expenses to the firm—I'm not sure—again, you know, it would depend on what was in the public press. I'm not sure any of that was sort of known until almost the day that he actually pled. I mean, there were certain questions about whether he had double-billed the RTC or something, but I don't think this sort of personal use of the firm or client money came out until the fact that he pled.

Question. Did you ever talk with anyone at the White House at that time or the time of the guilty plea when those facts came out?

Answer. He did talk to me. I don't know whether he talked to anybody else or not.

Question. Did you ever talk to anyone at the White House about that?

Answer. Again, not in any sort of way other than, can you believe it; or, can you believe how much it was; you know, what do you think he was doing; you know, how did he ever think he could get away with that? I mean, nothing—I never talked to anybody who knew anything about it other than just sort of general conversation, you know, any two people would have about, you know, did you see what he did, did you see how much money it was, did you see, you know, like what the allegations are?

Question. Did you ever talk with the President or the First Lady about the guilty plea?

Answer. Did I? Again, if I did, it was in the same sort of general way. You know, what was he thinking of, how does anybody believe they can get away with that amount and that extensiveness of doing that.

Question. Did you ever hear the President say anything in terms of that he felt betrayed or anything like that?

Answer. No, no.

Question. Or that he had lied to him about matters previously?

Answer. No. I mean, I think no—no.

Question. Following his guilty plea were you aware of anyone in the White House—the Sherburne memo where it talks about monitoring Webb Hubbell's cooperation? Were you aware of Mr. Hubbell's cooperation with the Independent Counsels being monitored by the White House Counsel's Office following his guilty plea?

Answer. No, not in, you know, not in any sort of sense like that.

Question. Do you know if anyone in the Counsel's Office or Ms. Sherburne in particular was following what Mr. Hubbell may have been telling the Independent Counsel?

Answer. Well, again, I mean, you know—to the extent that she is reading and processing what is, you know, out there, you know, yeah, I would expect her to follow it up, you know, and that's—follow up; but in the sense of trying to find out what he's going to do or anything like that, no, I was not aware of efforts like that.

Question. Were you aware of Mr. Neel's ever calling the White House Counsel's Office to tell anyone about what Mr. Hubbell had testified to in any matters?

Answer. No.

Question. Was there ever any discussion at the White House about what Mr. Hubbell may be testifying to because at that time he had agreed to cooperate with the Independent Counsel?

Answer. No.

Question. You never heard of any concerns expressed or anything like that about what Mr. Hubbell might be testifying to?

Answer. No.

Question. Were you ever present when anybody else discussed anything relating to Mr. Hubbell's guilty plea with the President, First Lady?

Answer. Not that I recall. I mean, again, could have come up in a conversation that a third person was there and participated in, sure, but it was in a nonspecific sort of way if it did.

Question. I wanted to ask you some questions about when the issues about Mr. Huang came up last fall and some of the fund-raising stories started appearing. Why don't we start with the September 13, 1995 meeting where Mr. Huang reportedly decided he wanted to change jobs and move from the Commerce Department to the DNC. Would you tell us how that meeting came about?

Answer. I don't know how it came about.

Question. Okay. You were at that meeting on September 13, 1995?

Answer. Um-hum, yes.

Question. And who did the meeting include?

Answer. James Riady, his wife, John Huang, Joe Giroir, President, myself—I'm trying to remember whether John's wife was there or not. I don't recall.

Question. Okay. And what occurred in the meeting?

Answer. Basically it was, you know, sort of a general conversation about, you know, James' family, the President, Chelsea. Again, I don't recall the conversation, but there was nothing unusual about the conversation.

At some point in the conversation, I believe John said something like, you know, maybe I could be of more help at the DNC than at Commerce. And, you know, the President, I think, indicated, if that's something you'd like, you know, that would be good, and that was sort of the way it was left. There was nothing further done.

After the meeting I called John and asked him to come by to see me, which I did, as you indicated, 2 days later, and I said, I just wanted to make sure, you know, that you really want to do this. I don't want to do anything or put anything in motion, you know, if you were just being polite and you're perfectly happy where you are and want to stay where you are. And he said, no, he thought he could, you know, do more good for the President over at the DNC and raising money and trying to organize the Asian American community. And so I told Harold that he had indicated an interest in going to work at the DNC then. That was sort of the end of my involvement.

Question. Do you know why you were included in that meeting?

Answer. We usually try to include someone in almost every meeting with the President, so there was always another person. Why I was included—I don't know

the reason, you would have to ask the people that asked me to come to it. The fact——

Question. Do you know who that is? Who asked you to come?

Answer. Probably got a called from either Betty Currie or Nancy Hernreich, someone in the immediate office. Again, because the Riadys relationship with the President is more—stems from Arkansas—you know, they may have decided that I was—and because it was not going to be specifically—at least my understanding was it was not going to be specifically on any sort of topic, you know, it wasn't going to be on any matter that was either an NSC matter, an NEC matter, domestic policy matter, that I was sort of, you know, a good person to be there; again, because my Arkansas relationship as well.

Question. And do you know why Joe Giroir was there?

Answer. He came with them. I don't know—I don't know—you know, I don't know who included him, whether he was with them that day or whether they asked for this, they said Joe Giroir is going to be with them or not. I don't know any specific reason why he was there.

Question. And at this time, Mr. Huang was still working at the Commerce Department, correct?

Answer. Yes.

Question. Do you know why he was there with Mr. Riady?

Answer. No.

Question. Did you get a sense that he was there with Mr. Riady in order make this pitch that he wanted to move?

Answer. No, because I really didn't have a sense that the purpose of this meeting was about their pitch. One of the reasons I wanted to follow up with John was in the context of the discussion, I can't quite tell you, something—it just seemed like he said—he didn't sound to me like—it didn't sound like he said it, you know, prearranged. And I didn't want it to be sort of an offhand comment that he made that, you know, that we went off and the next thing you knew he felt duty bound, you know, to go because he had mentioned he wanted to. So I wanted to make sure that this was something that he really had thought about and really wanted to do before I did anything about it.

Question. Presumably Mr. Huang was—this was a day that he would normally be at work so, he is taking off from work to come over to this meeting with Mr. Riady. I'm just trying to get an understanding of why he is leaving his job to come over for this what appears to be somewhat undefined meeting.

Answer. I have no answer for that. I mean, you know, it did not seem unusual to me for John to be there with the Riadys because frankly, you know, they had worked together for so long. They were friends. You know, if James is in town, it did not seem that strange for John to, you know, take time off from his job to go around with his friend.

Question. Were you aware of Mr. Huang keeping in touch with Lippo Group while he was still at Commerce?

Answer. The answer to that is no. I mean, you know, whether—I would have expected—I mean, I keep in touch with my former law firm. It would not surprise me that he kept in touch with them but I was unaware that he did.

Question. Are you now aware of him making lots of phone calls to his former employment on his government phone card?

Answer. I read the paper. I am aware of what the papers are saying. I don't know what the facts are.

Question. Have you had any discussions with anyone at the White House about what he was doing, whether he was making all those phone calls to the Lippo Group while he was working at the Commerce Department?

Answer. No.

Question. Did you have any knowledge of any job at the Commerce Department that required him to call the Lippo Group frequently?

Answer. No. I mean I don't know if I knew what he did at the Department of Commerce so, you know, I'm not in a position to answer that because I don't know—I have no idea what his responsibilities were at the department.

Question. Do you recall what time of day the meeting was?

Answer. Seems like afternoon. I don't remember.

Question. When you came into the meeting, was everyone already there, or did you escort the group in?

Answer. I don't recall. My sense is that, just the normal way those things happen, they would not have a meeting start—if I was going to come, they wouldn't let them into the office until I got down there. But I don't recall.

Question. Are you aware of John Huang being in touch with Harry Thompson?

Answer. No.

Question. Do you have any knowledge of what the relationship between Harry Thompson and John Huang is?

Answer. No.

Question. Did Mr. Huang mention anything about Harry Thompson on that day?

Answer. On that day? No, as far as—I don't recall John Huang ever mentioning Harry Thompson on any day.

Question. Our records reflect that he made some phone calls to Harry Thompson the day before and that day. I'm wondering if that ever came up in a conversation or if you have any knowledge as to what that connection would be?

Answer. No, ma'am.

Question. Do you have any knowledge of Mr. Huang working—was he going to be doing anything—working on the convention, Mr. Huang?

Answer. No, not——

Question. At that time?

Answer. At that time. I'm not even sure, you know, Harry was going to be working on the convention. Again, I hadn't thought much about the convention in September of '95. So, no, the answer to that is I don't know if Harry would have been working on the convention. And even if he was, I don't know why John would be talking to him.

Question. Did the President ask you to follow up with Mr. Huang?

Answer. I don't—I don't recall. I mean, he may have said, you know, "Bruce, will you make sure the right people know about it?" But I don't recall that. But, again, one of the purposes of having a person there is to know that, you know, if there's something that needs to be followed up on, that there is a mechanism, that the President doesn't have to, you know, follow up, so that somebody else is there to sort of make sure it gets followed up.

Now, whether as we were leaving, if he turned to me and said, "Will you follow up on John's request," or when John said it, if he turned and said, "Bruce, will you follow up on that," I don't recall that, but it wouldn't be unusual. It wouldn't probably be necessary, either.

Question. So you were generally talking about—I mean, they were generally talking about family matters and things and then somehow this came up?

Answer. Well, they may have been talking about the campaign, frankly. Again, I don't—they were talking just in general about what was going on, and the campaign was starting to heat up. I don't know exactly what they were talking about. I don't know the context that this came up, if somewhere in the conversation John indicated an interest in going—I'm not even sure if he indicated an interest in going.

He indicated that he thought he could do the President more good if he went to the DNC than he could at the Department of Commerce. And as I say, I thought—sort of the way he said it, I couldn't tell whether it was maybe out of a sense of obligation that he should, you know, this is what he should be offering or whether or not it was something he really wanted to do, which is why I felt the need to not simply go to Harold and say, you know, you might want to follow up on this, but go back to John and make sure John really meant what he said.

Question. Were you aware of the President having approved a large media budget in early September of '95 on commercials, Dick Morris's commercials at the time?

Answer. The $10 million media budget that had been approved? I thought—the answer to that, I guess, is no. I was involved—slightly involved in the decision to buy media in June or July of 1995. But I don't recall a separate discussion—or I mean a separate buy in September.

Question. That was the initial media buy?

Answer. Right.

Question. And then there was a big project sort of signed off on in early September, sometime between September 7th and 10th. The $10 million was going to be borrowed, largely.

Do you have any knowledge of that?

Answer. Not that I recall. I mean, I was involved in some of the meetings involving media but not many of them, but I don't recall that one.

Question. Do you recall if in this meeting that generally came up at all, like, you know, the next campaign is going to be a challenge, we're going to need to raise a lot of money, sort of something that caused Mr. Huang to say, well, maybe I can help there?

Answer. Again, I don't recall the specifics of the conversations. But it is possible that in talking about the campaign they would have been talking about, you know, it is going to be an expensive campaign, or something like that that would have led to his comment. Again, since I don't recall the specifics, I can't tell you that it happened. But it is not—it would not be that out of the ordinary for there to be in a

general discussion about the campaign, a discussion about how expensive it was going to be.

Mr. BALLEN. Sir, do you remember that coming up or no?

The WITNESS. No, I don't remember the specifics. I remember John offering to be of help, thought he might be of more help to the DNC. I don't recall how—what the predicate of that was, what we were discussing that caused him to do that. Again, it is reasonable that we were talking about the campaign, but I don't recall that.

Mr. BALLEN. But you could have been talking about baseball? You could have been talking about anything?

Ms. COMSTOCK. I don't think he indicated that he was talking about baseball.

Mr. BALLEN. Could I finish my question, please? The witness is speculating. And if he doesn't recall, he's making an assumption, and I want that clear for the record.

The WITNESS. Right, I don't recall what the discussion was prior to John's statement.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall if you took any notes at the meeting?

Answer. I don't recall. I doubt if I would have.

Question. Do you normally take notes or not take notes in meetings with the President?

Answer. Depends. I don't take notes unless there is something I need to follow up on. Now, I may have written down "John Huang DNC." But if I did, it would have only been to remind—I don't recall doing that. But I would not have been taking notes as we went along. I would have written down—if I intended to follow up, I might have written a reminder of me to follow up, at which point I probably would have thrown it away once I called him.

Question. Was this a meeting in the Oval Office?

Answer. Yes.

Question. And were you seated?

Answer. Yes.

Question. Do you recall how long it lasted?

Answer. No. I think the records reflect how long it was; 15 minutes, maybe.

Question. And was Betty Currie or Nancy Hernreich in the meeting at any point? Did they walk them in?

Answer. Again, it would be logical they would walk them in or come in and try to break the meeting up if Steve Goodin wasn't there.

Question. And who is he?

Answer. He's the President's personal aide. He's sort of the person who is always with the President, who comes in and says, "Mr. President, your next appointment is standing out here," or "Mr. President, you need to go to get ready to go to dinner." Whatever the schedule is, he tries to, to the extent he's around, he tries to keep the meetings on some sort of regular schedule.

Question. And where does he work physically?

Answer. He has a desk in the front office across from Betty Currie's. His main desk is back somewhere else on the first floor.

Question. Is there anything else about that September 13th, 1995, meeting that you recall?

Answer. Huh-uh. No.

Question. Parts of conversations or——

Answer. No.

Question. Do you recall where Mr. Huang or Mr. Riady were going after the meeting?

Answer. No.

Question. Or Mr. Giroir?

Answer. No.

Question. Did the President ever ask you anything after the meeting about—if you followed up on anything?

Answer. No, not that I recall.

Question. And were you aware of Mr. Riady or Mr. Huang coming back at next day—and this isn't the meeting on the 15th—on the 14th, if you recall them coming back?

Answer. No.

Question. So the next time that you dealt with Mr. Huang or Mr. Riady was on the 15th, you met with Mr. Huang?

Answer. Yeah. I didn't deal with Mr. Riady. I dealt with Mr. Huang. I called and asked if he would come by and see me.

Question. You called Mr. Riady?

Answer. Uh-huh.
Question. At his office?
Answer. Yes.
Question. So you initiated the phone call?
Answer. Yes.
Question. And you told him you wanted to follow up on——
Answer. Right. I don't know—I don't know whether I did it or whether I had my assistant call and say would John be willing to come back over and visit with me.
Question. So at that point you knew where he was located at the Commerce Department?
Answer. Probably.
Question. You knew where to tell somebody to find him?
Answer. Probably. Again, I would have probably said he's at the Department of Commerce. I don't know if I would have known any more specifically what office. I doubt if I knew what his title was. In fact, I'm probably pretty sure I didn't know. I would say, "Will you see if you can get in touch with John Huang over at the Department of Commerce and see if he can come back over and visit."
Question. And did he come over that day that you called?
Answer. I don't know if he came over that day. I don't know whether we called on the 14th and he came over on the 15th or if he called on the 15th and he came over on the 15th.
Question. And then when he came over on the 15th, do you recall how long you met with him that day?
Answer. No. Not very long. My only purpose was to ask him whether or not he really wanted to do this, was it something he really wanted to do. And he said yes.
Question. And why did he say he was interested in doing it?
Answer. I think he thought he could help the President more at the DNC than he could at the Department.
Question. And did you discuss with him his fund-raising abilities?
Answer. No.
Question. Was there any attempt to find out, you know, if this was something, you know, that was his strong suit or something that he was suited for?
Answer. Well, I knew he had been active in the Asian-American community, so I knew to the extent he could help us organize the Asian-American community that it was something he had done before. But that really wasn't my role. I wasn't interviewing him for this. I just didn't want to pass it along to people who would make those decisions if he was not serious about it, it was just a polite comment he had made to the President and he really didn't want us to follow up on.
Question. And you had said you didn't want to set things in motion unless he was really serious about it. So your understanding was that you were going to have this meeting to see if things should be set in motion?
Mr. BALLEN. Objection. This is the third time the witness has been asked and answered the exact same question, for the record.

EXAMINATION BY MS. COMSTOCK:

Question. It was your understanding you were going to begin a process whereby you would see if he could go over to the DNC?
Answer. I was going to mention to Harold that John Huang had expressed an interest in going to work at the DNC. I didn't want to express John Huang's interest in going to the DNC if John Huang really didn't have an interest in going to the DNC. So before I saw Harold or called Harold and said, "By the way, John Huang was in the office the other day and indicated to the President that he might like to go to work over at the DNC," I thought I should make sure that that in fact was what John Huang wanted.
Question. And if that's what John Huang wanted, was that what John Huang was going to get?
Answer. No, I don't have any sense of that. I was simply going to tell someone that that was what his interest was. It would be their decision as to whether or not they had a position, whether they could work it out or anything else. I just didn't want to pass along his interest if it really wasn't his interest.
Question. And so you told Harold Ickes that he was interested in this?
Answer. That he had expressed an interest in going to work for the DNC.
Question. And then what happened?
Answer. I have no idea.
Question. You don't know if Harold met with him or not?
Answer. I know that now, but I didn't know it at the time. I had no other involvement in it at the time. I mean, I read that Harold at some point met with him and

so forth, but again, that's all from press accounts and after the fact accounts, not from knowledge I knew at the time.

Question. Were you aware of Truman Arnold saying anything to anybody at the DNC on behalf of John Huang?

Answer. No.

Question. Were you aware of Joe Giroir suggesting to anybody at the DNC that John Huang should be hired?

Answer. Not at the time.

Question. Did you only learn of that through press accounts?

Answer. Yes.

Question. Has anyone at the White House since told you whether that was the case or not?

Answer. I don't know if anybody in the White House knows if it is the case. No. The answer is no, no one did.

Question. I'm wondering if anyone mentioned it to you.

Answer. No. I read a press story at some point that said that Joe Giroir had called Fowler or somebody at the DNC.

Question. When you spoke with John Huang, did he discuss the fund-raising he had done in 1992?

Answer. No.

Question. In the meeting with the President, had he mentioned anything like "Remember what a good job we did in '92," or anything like that?

Answer. Not that I recall. I think he expressed, and again, in what I thought was some sort of halting way that didn't sound to me—it almost sounded polite: "Well, maybe I can be of more help to you" or "maybe I can be of greater assistance at the DNC than I can at the Department of Commerce."

Again, the reason I felt the need to follow up was I thought it did not sound, you know, gung ho, you know, "I really want to do this," you know, "The reason I wanted to come see you today was to tell you I wanted to do it." None of that was expressed. It sounded to me like, you know, as almost a polite statement that he may not have meant, and I didn't want to do anything about it if he didn't mean it.

Question. Did he ever mention to you the amounts of money he could raise or what, you know, what kind of dollar figures you were looking at?

Answer. No.

Question. Or what his—if he did something like that, what would be expected of him?

Answer. No.

Question. So this was a very generic conversation you had with him?

Answer. I called back. He asked me to come in. I said, "John, before I do anything, I just want to make sure this is something you really want to do." And in the course he said, "Yes, I really would like to do it." I said, "Fine, I just wanted to make sure." And that probably was the extent of the conversation. And then with that I told Harold.

Question. Did there come a time when you learned that Mr. Huang had indeed moved over to the DNC?

Answer. Oh, I'm sure I did. I don't remember when I learned that. But I'm sure that, yes, at some point I learned that he moved to the DNC.

Question. Did you have occasion to see him at fund-raising events throughout '96?

Answer. Oh, yeah, at several, yeah. But you know, again, I didn't go to fund-raising events here in the District. I usually only go to fund-raising events if we're on the road and we're already there anyway. I remember at one event in Los Angeles seeing him, but that's sort of the only time I remember seeing him, was at that event where the President acknowledged Mr. Huang.

Question. July 22nd event?

Answer. I don't know. I was not in the room when he acknowledged Mr. Huang, so I don't know. I don't usually go to the fund-raisers. I usually try not to go to the fund-raisers.

Question. Did you have any knowledge of John Huang having any contacts with Charlie Trie?

Answer. No.

Question. Did you have any knowledge of John Huang having any contacts with was Pauline Kanchanalak?

Answer. No.

Question. Or with Johnny Chung?

Answer. No.

Question. Did you have any contacts with Johnny Chung?

Answer. Not that I'm aware.

Question. Or with Pauline Kanchanalak?

Answer. Not that I'm aware of.

Question. And I'll return to Charlie Trie.

Mr. BALLEN. Could you speak up?

Ms. COMSTOCK. I'm sorry. I will wait on Charlie Trie, the Charlie Trie matters at this time.

EXAMINATION BY MS. COMSTOCK:

Question. Did you ever, in the summer of '96, hear about Mr. Fowler pushing John Huang to, you know, raise more money or their quotas or whatever targets that they were saying needed to be higher?

Answer. No.

Question. When was the first time that you heard of some problems in connection with John Huang's fund-raising?

Answer. I don't remember. I believe it had to do with the press reports about—whatever that company in Korea that was—Am Choeng?

Question. Choeng Am, C-H-O-E-N-G A-M?

Answer. Yeah, I think that's the first I heard anything about any problems.

Question. And how did you hear about that?

Answer. It was in the press, I think the L.A. Times.

Question. Just the press accounts? Were you aware of anyone from the DNC calling the White House to ask about that?

Answer. No.

Question. And were you aware of any discussions then with the White House about returning the funds that were raised from Choeng Am?

Answer. I don't recall. I mean, if we determined or if the DNC determined that they didn't come from the American subsidiary, I think we would have concurred that they should be returned. But I don't think—I don't specifically remember that we had that conversation about—over contributions. I don't know that I specifically remember it with respect to this one.

Question. And what were the conversations you had about other contributions being returned?

Answer. At different times when different amounts or different people came up, I remember the Gandhi contribution as one, we would try to, you know, once it was sort of in the press or publicly a question was raised about it, we would try to determine whether or not there was any basis for the story, Gandhi's being—whether or not he had ever pled or made a claim in a court in California that he had no money and that he was living off the credit card of an uncle or cousin or anybody. And if we determined that there was a basis for it, we would, you know, agree that the money should be returned because there was a question as to whether or not that money was either the money of the person who gave it, or in the case of a U.S. subsidiary, whether it came from a legal entity.

Question. Were you aware of—with Mr. Gandhi, were you aware of him trying to set up a meeting at the White House?

Answer. Yes. Well, I don't know if I was aware. I was aware at one time that Mr. Gandhi wanted to present the President with this peace prize and give him $100,000, I believe it was. And in the Counsel's Office I was involved in discussions as to whether or not we would do it or not. And the decision was that we would not take the money or direct the money go to charity or do anything with respect to the money.

I think we learned that Bush and Reagan and others had taken the peace prize, the prize, and so we were prepared to accept it. Again, I didn't have any details with scheduling it or whether it was going to be scheduled at the White House or anything else. I was involved in the legal discussions as to whether or not we could accept it, and whether we could accept the money or whether we should accept the money.

Question. Were you aware of the DNC objecting to the President's meeting with Gandhi?

Answer. No.

Question. No one at the White House ever told you about that?

Answer. No.

Question. Did you attend the event of May 13, 1996, that Mr. Gandhi gave the award to the President?

Answer. No.

Question. Along with I guess at some point gave a check to the DNC for $325,000?

Answer. No.

Question. Were you aware of Craig Livingstone arranging anything having to do with that?

Answer. No. Would doubt it, but no.

Question. Would doubt——

Answer. That he had anything to do with it.

Question. In fact, he did make some arrangements, and that's been reported, that he made some arrangements to—did some advancement with Mr. Gandhi.

Answer. Made arrangements or did something for the event?

Mr. BALLEN. Is there a question?

EXAMINATION BY MS. COMSTOCK:

Question. Do you have any knowledge otherwise——

Answer. No. No. No. I'm not sure what Craig did, but arranging for people to see the President was not one of them.

Question. And I presume you still don't know who hired him?

Answer. I don't.

Question. Are you aware of any discussions in the White House Counsel's office, you know, in the past months about Mr. Gandhi and about how this meeting was set up, any new information that you had learned about this meeting at the hotel?

Answer. No. I mean, the discussions about whether or not we could accept the award or should accept the award and/or the contribution or $100,000, I was involved in some discussion.

Once the decision was made that we would not accept the money and that we could accept the award, I had no more involvement.

Question. Do you have any idea how the $325,000 to the DNC came up?

Answer. No.

Question. Because it was going to be $100,000 that they wanted to give to the President, or I guess to the President's charity?

Answer. Well, they wanted to give it to the President. That clearly was unacceptable. And then the question was whether or not we would could accept it and designate a charity. And the legal consequences, we decided, of that were the same as his accepting the contribution, which was that we weren't going to do it.

So, no, once we made a legal decision that we were not going to take the money, that was end of it as far as I knew. I never knew he made a contribution to the DNC until after the fact.

Mr. BALLEN. Nor, as the question implies otherwise, did you notice there was any connection between the $325,000 and the $100,000?

The WITNESS. Right. Other than just a pure legal decision as to whether or not we would accept a peace prize from this guy, I was involved in no discussions about, you know, when, if, you know, whether or not, even once we made the legal decision that we could, whether we would. And I certainly didn't know anything about any money or any connection between the money and the prize.

EXAMINATION BY MS. COMSTOCK:

Question. And you weren't aware, then, of any National Security Council concerns about meeting with Mr. Gandhi?

Answer. No.

Mr. BALLEN. Asked and answered. Objection.

EXAMINATION BY MS. COMSTOCK:

Question. I'm wondering, in terms of the President meeting with Mr. Gandhi in a DNC fund-raiser, were you aware of anyone at the DNC ever trying to check out if it was okay for the President to meet with him in this fund-raising context?

Answer. No. I mean, I didn't know he met with him. I didn't know he was going to meet with him. I didn't know anybody had arranged it or anything about it.

Question. So once you were done with the work in the counsel's office on Gandhi, you didn't know about this other fund-raising?

Answer. Right.

Question. Until you read about it in the paper?

Answer. Yeah, until—yeah, after the fact, yes, that's probably right.

Question. Did you know of Craig Livingstone being in touch with DNC people about campaign events?

Answer. No.

Question. So you have no knowledge of anything he had to do with facilitating this meeting?

Answer. No. Craig Livingstone started out as an advance person. I could see the White House using Craig to advance a local event. But——

Mr. BALLEN. Do you know, sir?

The WITNESS. No. But again, I can't imagine him having a role other than an advance person in any of this. I take that back. I did go to an Orioles ball game one time and Craig was one of the advance people. So I do know that, at least to an Orioles baseball game, we did use Craig Livingstone as an advance person.

EXAMINATION BY MS. COMSTOCK:

Question. Didn't he go on a Russia trip, too?

Answer. Not that I'm aware of.

Question. Now, during the campaign, the issues of John Huang came up and there was some interest in his fund-raising. Can you just generally describe to us how you learned about some of the problem contributions that John Huang had solicited and any discussions that you had about that? If you could just walk us through.

Answer. I don't know if I can. Basically, I think most of what we have learned was in the press. We were usually trying to find out whether or not factually it was correct and then trying to make a decision with respect to how to respond—how to respond, whether or not we should return the funds or not.

Question. During this time, were you traveling with the President?

Answer. Yes.

Question. Did you ever talk with the President about these matters?

Answer. Doubt it.

Question. Did he ever say, you know, "Get to the bottom of this" or, "I want to find out what's"—you know, "Let's get this cleared up"?

Answer. Again, I don't recall. I mean, it would have been more on a case-by-case basis if he did. I mean, he might see an article and say, "What do you know about this?" But again, it was never sort of an—I don't recall, at least to me, a general "Let's get to the bottom of this." It seemed more like we were responding to other people's press accounts and trying—we were trying to follow up after the fact as opposed to ever getting ahead of it.

Question. Do you recall discussing the issue of the $450,000 that was contributed by the Widjajas? The husband was the gardener and they were the——

Answer. Yes.

Question. Who did you have a conversation with about that?

Answer. Probably Harold and maybe Jane.

Question. Do you recall what that discussion involved?

Answer. I think at the time we thought it was appropriate. We thought they had the ability to make the contributions and that they were legally in this country and, therefore, entitled to make the contributions.

Question. And what was that based on?

Answer. I think that we knew, at some point we knew that she was the daughter of someone who—you know, a very wealthy Indonesian businessman, and therefore had wealth or had money.

Question. Did you have knowledge of them living in the country at the time when they were making the contributions?

Answer. I think we did. I think we thought they lived in Virginia. I thought there were pictures of the house they lived in. First of all, I don't think describing him as a gardener is quite right. I think he had a degree in——

Mr. KANJORSKI. Architecture.

The WITNESS. Architecture. But, you know, I think the DNC, it came up and tried to determine whether or not there was a basis for returning the contributions, and at the time determined there was not.

Later, when they left and went back to Indonesia or Jordan to renew or maintain their status, a different decision was made. But the different decision I think was we had no basis for questioning those contributions.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know who was working on those matters at the DNC at that time?

Answer. Joe Sandler probably. Who else, I don't know.

Question. Do you recall talking with Mr. Sandler during that time?

Answer. Probably. I mean, I talked to Joe a lot during this period, you know, working through the various issues and problems and questions.

Question. And this was not an effort to reach out to John Huang to ask him about the contributions, in particular like the Widjajas' contributions?

Answer. I didn't reach out to John. Whether or not they did or not I don't know the answer to.

Question. Did you learn of some conversations that Joe Sandler had with John Huang about these contributions?

Answer. Again, you would have to be more specific than that for me.

Question. I'm just trying to walk us generally through what you were learning about at that time.

Answer. I think I did. I mean, generally, I learned that these people were in the country, they were legally in the country, they had in our judgment the ability to make the contributions; and, therefore, we knew no reason why the contributions should be returned.

You know, I didn't learn that in one conversation. I learned that over a period of time. That was basically the information I learned. Now how much of that I learned from Joe or Harold, or how much Harold learned from Joe was based upon conversations with John Huang, I don't know if I can tell you. But, basically, that's the information I learned.

Question. Do you recall if there were ever any conversations with John Huang about the Choeng Am contribution, which by October had been returned?

Answer. Again, I don't—I don't—I don't think I ever had any conversations. Whether or not anybody else at the DNC—anybody at the DNC would have had a conversation with them, I don't know.

Question. In light of that $250,000 contribution which John Huang was associated with having solicited having been returned, was there any concern that some of the other money he was raising may not be legitimate?

Answer. I don't think at that point, no. You know, it is not that unusual that an American subsidiary gives a check, and, you know, on its face it looks proper; and then you learn that the American subsidiary didn't have a domestic operation and therefore could not have generated the money locally, and so you therefore return that contribution.

In my mind, that did not trigger any sort of greater concern about every other contribution.

Question. And during this time, were you aware of people in the Counsel's Office and back at the White House, while you were traveling, pulling up documents on John Huang and the Riadys and things like that to evaluate what the context was with the President?

Answer. Well, almost all those requests—all of those attempts were in response to press requests. So if there was a press account—and again, I don't quite remember whether different issues became important—but if there were press inquiries about how many times have the Riadys been to the White House or how many times did John Huang go, yes, there were attempts made at the Counsel's Office to gather that information so that we could respond to those requests.

Question. And to your knowledge, who was involved in that?

Answer. Jane Sherburne was involved, most of the people in her group were involved. Cheryl Mills was involved to some extent. And I guess Jack Quinn, if Jack was counsel at that point, would be involved.

Question. And were they faxing you materials on the road or anything like that?

Answer. No. I mean, I sat in San Antonio on the phone for an hour and a half and took down longhand every one of John Huang's visits to the White House, I think. But it usually was not a form that could be easily faxed. It was usually taken off of these. They had just gone through the WAVE records, sort of like frankly that sheet you showed me where they simply went through all the WAVE records and tried to come up with the number of visits and things.

Question. Did you talk with people at the White House about the number of visits Mr. Huang had had?

Answer. I don't remember whether John Huang came up. There was a story that was reported in the press that had some number that was taken from primarily the——

Question. Secret Service records?

Answer. Yeah. That was sort of out there. And then we went back in trying to verify that and came up with the two John Huangs and tried to separate out which John Huang was which, which involved many times going to the people that waved him in and asking them "Which John Huang did you wave in?" and trying to get information. So I don't recall whether that was in October or November.

Question. Late October.

Answer. Okay. Well, then, yes, I was involved. And they would be passing that information to me, and in some sort of general form.

Question. And did you discuss this with the President at all?

Answer. We did—I did on the John Huang one.

Question. And what did you tell him?

Answer. It was mostly factual, I think. I told him, you know, this is what we've been able to find. He has been to the White House X number of times. He saw you X number of times. Those appeared to be for the following events. He went to the

California event. He wasn't at the Asian-American event. He went to this event. He saw, you know, Maria Haley X number of times. He saw Mark Middleton X number of times.

It was mostly just very factual.

Question. Were you aware of anyone going to Mark Middleton to find out what he was meeting with John Huang about?

Answer. I don't know if we went to Mark Middleton or not. We tried to go to everybody that was on the list. Now, most of the time we went to people who were still in the White House, and Mark wasn't. But, yeah, we were trying to find out. The press was asking why were these people here and what were they—what was John Huang here for and who was he seeing and what were they discussing. And the only way we knew how to do that was go back to the people and say, "You waved John Huang in. What was he here for? What were you discussing? Why did you see him?"

Question. Do you know who talked to Mark Middleton or if anybody did?

Answer. I have no idea.

Question. So you have no knowledge about what Mark Middleton was meeting with John Huang for?

Answer. No.

Question. Did you get a sense from the other people who were talked to what John Huang was meeting with people for?

Answer. In general, yeah. You know, I mean, he met with some of the Asians about Asian appointments. Once he was at Commerce, he came to a number of meetings within the area of his responsibilities at Commerce. We knew what he had met with the President about because most of them were public events, when he was waved in to go to a public event for—it was either the September 13th meeting or September 15th meeting, or we learned that he had met with Harold shortly after that.

We were able to reconstruct, if you will, you know, as best we could, who he met with and in general, to the extent people remembered, what they discussed.

Question. Did you have an understanding of during 1996, when he was working at the DNC, what he was meeting with people about?

Answer. I don't remember—I don't remember how many times he came to the White House. If you showed me how many times he came and who he met with, I might be able to tell you. My guess is, to the extent he was there it was probably related to the political department, was meeting with people on Asian-American politics.

Question. But was it at all connected with fund-raising, was your understanding?

Answer. Again, I don't know if I had that sort of knowledge. The only people he would probably be meeting with on fund-raising would be people like Harold. So if he was meeting with people like Melinda Yee—she wasn't there. Depending on who he was meeting with, my guess is most of it was not fund-raising related.

Question. We have a number of different documents. I'm just going to show you—I don't have an extra copy, and I'm not going to represent this is, you know, accurate, but what this is is, we've gone through—and actually, it is accurate. But we've gone through both the WAVE records and Secret Service records and compiled a combination of lists.

But, as we've previously discussed, prior to June '95 there weren't any Secret Service records of people coming in and out. So these are a combination of both the Secret Service and the WAVE records, and sometimes one will pick them up and the other doesn't.

Answer. Does it eliminate the wrong John Huang?

Question. No, it does not.

Mr. BALLEN. If you're going to show it to the witness, I'd like it to be made part of the record.

EXAMINATION BY MS. COMSTOCK:

Question. One of the things that is on there is the person, the visitee and the requester, so to the extent that that assists at all and refreshes your recollection.

Answer. In '96 this reflects a number of visits with Matsui and somebody in Presidential Personnel, who I believe probably worked for Weaver, Vanessa Weaver. And then it has a 3-15-96 with the Vice President. That may be the one that's been in the press this week, 3-27-96 with the President. I don't know what that is. That's probably a public—some sort of an event, not a meeting.

Question. And I can check. This is presidential visits to which Mr. Huang was invited. That's only the presidential visits. It doesn't include everybody else.

Answer. Yes. DNC dinner is 3-27-96.

Question. And this is also U.S. Secret Service WAVE records for entry into the White House complex, also. So those are two documents we received from the White House that provide some assistance?

Answer. Again, almost all of the visits in '96, except for one with Ickes on 3-29-96 in which there is no TOA, POA, which I think means time of arrival, so that probably means he didn't come, almost all of them are with people in Personnel except for the ones with the Vice President and two with the President, both of which appear to be DNC-related dinners and coffees.

So, again, just looking at this, it would suggest to me that none of these meetings were fund-raising related.

Question. In other words——

Mr. BALLEN. Can we make that part of the record?

The WITNESS. Sure, absolutely.

Ms. COMSTOCK. This?

Mr. BALLEN. Yes. You were showing it to the witness, so it is clear what he's referring to in the testimony.

Ms. COMSTOCK. Okay. Make that Deposition Exhibit 21. Then make the other two 22 and 23.

Mr. BALLEN. Which one is 22?

Ms. COMSTOCK. Make the one presidential events 22 and the other one that has "draft" across it is 23. They are both White House documents.

[Lindsey Deposition Exhibit No. BL–21 was marked for identification.]

[Lindsey Deposition Exhibit No. BL–22 was marked for identification.]

[Lindsey Deposition Exhibit No. BL–23 was marked for identification.]

The WITNESS. Again, without any knowledge what those meetings are about, just from who they saw, they would not appear to me to be fund-raising related at all.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know Vanessa Weaver, who is in the Personnel Office?

Answer. Yes.

Question. Do you know if anyone determined what Mr. Huang was meeting with her about?

Answer. I assume they tried to talk to her or did talk to her. I don't know the answer to that.

Question. Do you know anything that she was working on with Mr. Huang?

Answer. Again, I don't know, no. She was involved in personnel. Whether it was, you know, making recommendations for Asian-American personnel. Vanessa Weaver is also Vernon Weaver's daughter. So, to the extent they may have had a personal relationship because Vernon worked for Stevens and was connected with the Riadys through Stevens, they may have had a personal relationship. But, again, I don't know.

EXAMINATION BY MS. COMSTOCK:

Question. I'm sorry. You were indicating——

Answer. I was just indicating, Ken has been chastising me correctly for speculating, and I am again speculating.

Ms. COMSTOCK. I would just like the record to reflect the gestures that were happening.

The WITNESS. I was indicating to him that——

Ms. COMSTOCK. Ken was indicating to the witness not to——

The WITNESS. He wasn't indicating to me, I was indicating to him that, again, if the question was all of that is pure speculation, the answer would be yes. I don't know what—I'm sure someone who tried, probably I think tried, spoke with Vanessa about what those meetings were about. I don't know what they were about.

EXAMINATION BY MS. COMSTOCK:

Question. I just wanted to show the witness a group of documents from the White House which——

Mr. BALLEN. Excuse me. Do you have an extra one?

Ms. COMSTOCK. Yes. It's EOP 4943—actually, we probably should separate these out. Why don't we go to EOP 4056, which is in the middle of the stack, 4056 through 60, and it's a November 26, 1996 memo to Leon Panetta and Erskine Bowles from Jane Sherburne regarding White House statements re Riady meetings.

EXAMINATION BY MS. COMSTOCK:

Question. In this memo, Jane Sherburne goes through her understanding of the development of White House statements related to the meetings between the President and James Riady. I just wanted to go through that with you. The second sentence in her memo, she indicates that "In early October 1996, Mark Fabiani reported to me that the Wall Street Journal was working on a story about the President's relationship with the Riady family, John Huang and the Lippo Group."

Do you recall if you learned about that in early October of '96?

Answer. At some point Jane came to me and asked me about the meetings, so I think I learned about it when she came and asked me about the meetings.

Question. Okay. And it indicates, because it says, "On checking records of meetings with the President, Miriam Nemetz reported to me that there were at least two White House meetings: one in April 1993 that lasted about 5 minutes and a 20 minute meeting in the Oval Office in September 1995."

Do you recall generally that Jane and Miriam were checking on records in early October 1996?

Answer. No, I wasn't aware of that until Jane came to me and told me what they had—what the records reflected.

Question. Okay. And so Jane came to you at some point in October?

Answer. Yes, probably.

Question. And told you that they had been reviewing records about Riady and John Huang?

Answer. I think she said that—she indicated to me that they showed two White House meetings with the President, and I told her that there was at least one additional White House meeting, and I also told her about the meeting in Jakarta.

Question. So you told her about the meeting at the hotel in November of 1994 in Jakarta that you had previously described today?

Answer. Right.

Question. And that's reflected in the bottom of the first paragraph here?

Answer. Right. This says a social event in Jakarta. We also attended, while we were there, we stopped by a dinner that the governor of Jakarta, I guess, was having for the hospital, and it was in the same hotel that we were staying in, so we stopped by that on the way back from a dinner that the President attended which was part of APEC. We stopped by that and said hello to the Arkansans and the Indonesians who were at the dinner, and James Riady was at that dinner. So he saw him at least twice in Jakarta, once at the meeting with Mochtar in the suite and once at this dinner that we stopped by.

Question. Okay. Do you recall, though, in October, in early October, had you told Jane about—she says the President also had a brief encounter with Riady at a social event in Jakarta. Do you recall if you just told her about the sort of stop-by at this bigger event, or if you also told her about the hotel meeting?

Answer. I don't recall whether I told her about both or one, or I don't remember.

Question. And then it indicates that you also had told her about the September 1995 meeting; is that correct?

Answer. Yes.

Question. And then she goes on to say that she consulted with you about how to describe these meetings. Do you recall that?

Answer. Well, the ordering, in my memory, is different from Jane's. I think in that same time that we were discussing those meetings, I told her about the additional meeting, the whatever it is, September of '96 meeting. Is that right?

Question. The limo meeting?

Answer. No, I don't know anything about a limo meeting, but good try. The meeting in the Oval Office with James Riady in September, I believe, of '96.

Question. Okay. And did you describe these as social visits to Ms. Sherburne?

Answer. Again, I don't remember whether I did in that conversation. She was upset or concerned that she didn't have this last meeting, and so I don't remember whether we got into much discussion or if she went out to find out whether there was, in fact, a third White House meeting.

Question. She was upset she didn't know about the September 9th Oval Office meeting?

Answer. Is that the date, September 9, 1996?

Question. Yes.

Answer. Yes, she did not know about that. And so I don't remember whether we described the two meetings that I attended in that conversation or whether she immediately left, as I said.

By the way, there was also a third meeting that I attended, or a second meeting that I attended, but a third meeting. I was unaware of it until she told me about

the April 3 meeting. I think she then left to try to find out why they didn't have a record of the third meeting. She came back later, she called me later, I think, and told me that in fact Nancy had told Miriam about the third meeting and it just hadn't gotten written down.

She asked me what happened at the two meetings I attended, and I didn't describe them to her in terms of saying they were social. I told her what happened, so I described what occurred at the meetings.

Question. And did you both agree on how to describe them?

Answer. She asked me how I thought they should be described and I said I thought they should be described as social.

Question. And what did she say?

Answer. I think—I don't know if she agreed with that. She reflects here that she told Mark to describe them as social. But at the time she was aware of not only my description of the meeting but of the substance of the meetings.

Question. Now, she says, "He said they were social visits. Nancy Hernreich confirmed that the April 1993 meeting had been simply to say hello. Accordingly, I instructed Fabiani to describe the meetings as casual, drop-by visits, primarily social in nature."

Is it your testimony, then, that you didn't just say they were social visits; that you, in fact, went into detail and described them at some point?

Answer. I described them in much the same way that I described them to you, or at least the September 13th meeting to you, in saying that they dropped by, that they had this conversation, that the only thing I could recall from the conversation was John Huang indicating an interest in going to the DNC.

Question. Did she tell you that John Huang had refused to discuss that September 13th meeting with Joe Sandler?

Answer. I don't think so. I don't think at this time, no.

Question. Did you learn at some point that he had refused to discuss that with Joe Sandler?

Answer. No, I don't know if I knew that or not. But again, it wasn't just the September 13th, 1995 meeting. I also described to her the September 9, 1996 meeting.

Question. So your recollection is you described the September 9th, 1996 meeting.

Answer. Yes.

Question. And what was your understanding of what that meeting was?

Answer. Again, that it was basically a social meeting, that at the end of the meeting as they were leaving, that Riady indicated to the President, I believe as they were standing up to leave, that he thought that our policy with respect to China was a correct policy and that he urged the President to stay engaged.

Question. Do you know how the September 9th, 1996 meeting came about?

Answer. I believe when we were—I don't know how. I mean I assume the Riady—James Riady made a request for it. I was asked—Nancy called me one time when we were on the road and said that James Riady was going to be in town sometime in early September and did the President—and wanted to see the President and was the President willing to see him. And I think I asked the President, do you want to see James Riady when he's in town, and he said, sure, for a few minutes. But I mean, again, the request had come from the Riadys.

Question. Okay. So you asked the President if he wanted to see Mr. Riady pursuant to Nancy Hernreich's request, and he said sure?

Answer. Yeah. James Riady apparently had called the President—had called Nancy and said that he was coming to town and he would like to see the President. The President—wanted to know whether or not she should set it up, so she called me to ask the President on this trip whether or not, you know, he wanted to see him, and the President said fine.

Question. Were you aware of Mark Middleton also making that request on behalf of Mr. Riady to anybody at the White House?

Answer. Let me take it back. I don't know—I don't know that James Riady called. A request was made to the White House on behalf of James Riady. I don't know whether James made it directly or Mark Middleton or, you know, someone else made it. All I know is that Nancy called me and said that James had made a request. Now, whether that James had personally made the request or Mark Middleton had made a request on his behalf, but James had made a request to see the President, and did the President want to see him.

Question. All right. Did you have experience in the past of Mark Middleton making requests for James Riady?

Answer. Huh?

Question. Did you have experience in the past of Mark Middleton making requests on behalf of Mr. Riady?

Answer. No, I didn't. Again, I don't know if I knew at this time that he had made a request on behalf of Mr. Riady.

Question. Did you have any knowledge of Mr. Middleton working with the Riadys in any capacity?

Answer. No, not at that time.

Mr. BALLEN. Excuse me, counsel. If I may interject at this point, it is now 20 after 3, and we had—my understanding is we had agreed to a 3:30 termination.

Ms. COMSTOCK. We had not agreed to a 3:30 termination.

Mr. BALLEN. Could I finish my sentence? Would that be possible? You can say whatever you want. I would like a chance to say something here today uninterrupted, at least one time.

We had agreed to a 3:30 termination, as I was saying, and the Minority, we have been going since 10 o'clock with very short breaks. The Minority has about 10 minutes worth of questions that we would like to ask before this deposition is terminated, and it is now 20 after 3.

Ms. COMSTOCK. Let the record reflect that the Minority counsel was uninterrupted, but inaccurate. We did not agree to a 3:30 termination time. When we set up this deposition, we did indicate that it would go most of the day and did not agree to any termination point other than when we were completed with the questioning.

Mr. MURRAY. Well, as you know, Ms. Comstock, we have requested, because of Mr. Lindsey's other duties, that we adjourn this afternoon so that he can get back to work. However, he would be willing to finish this line of questioning about this subject, which is I guess the subject of the various meetings with the Riadys at the White House and Ms. Sherburne's take on that and all of the correspondence that was engendered as a result. And Mr. Lindsey would be willing to sit and finish this line of questioning, and then allow the Minority to ask whatever questions they have about this matter or any other matters that have gone previous.

So can we do that?

Ms. COMSTOCK. We still do have matters related to Charlie Trie to go into, too, which I don't think will be too lengthy, the meetings you had on May 9th with Mr. Cardozo regarding Mr. Trie.

The WITNESS. Maybe we could try to do this and then look at the timing and see whether or not it is 3:45 or 4:45, and then decide whether to go into Charlie Trie today or another time.

Ms. COMSTOCK. Okay. Well, I'll—I would like to finish up today.

Mr. KANJORSKI. What is the estimated time on the other two?

Ms. COMSTOCK. Well, we are going to, I guess, continue to go through these documents.

Mr. KANJORSKI. This is to wind up visits by Riadys, but then you will have another series of questions you are interested in. My question is, how long do you anticipate they will take?

Ms. COMSTOCK. Well, it depends on the witness's knowledge of Charlie Trie, which I'm not fully aware of.

Mr. MURRAY. Well, I've gone through this process with the Senate, which I understand the House people are not privy to when what the Senate has done, but I don't think it took the Senate too long to get through the Charlie Trie matter. So perhaps you all can do as well.

Mr. KANJORSKI. Well, we will move through this and then go to the Minority questions.

Ms. COMSTOCK. Okay. And maybe we can go back to the Charlie Trie matters, depending on where we are in time.

Mr. KANJORSKI. Mr. Lindsey may have nothing to do, but I have a schedule.

The WITNESS. What was your question?

Mr. MURRAY. The only one with nothing to do, Congressman, are all the lawyers sitting here. We have nothing better to do.

Mr. KANJORSKI. That's right.

Ms. COMSTOCK. Well, now we have.

The WITNESS. You had asked me about what role I knew Mark Middleton had played, and I told you I knew no role or relationship with Mark Middleton with Mr. Riady at the time.

Mr. BALLEN. There was no question pending.

Ms. COMSTOCK. I did not interrupt the question.

Mr. MURRAY. Let the record so reflect.

Mr. BALLEN. There you go.

The WITNESS. Anyway, we were walking through this document.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. While we are addressing this, on this topic, this is regarding the September 6th, '96 meeting. This is a memo to Mack McLarty from Mark Middleton. It's CCH 000157, and it's dated September 6th, 1996.

And in this memo, Mr. Middleton is thanking Mr. McLarty for his expeditious assistance and indicates the meeting participant was staying at the Four Seasons Hotel in New York, was going to be arriving in Washington, D.C., and he was trying to facilitate a Monday meeting. We have had testimony that this memo was regarding Mr. Riady, in setting up this meeting in September of '96 with Mr. Riady.

Does that refresh your recollection as to whether or not Mr. Middleton or Mr. McLarty or somebody else was involved in setting up this meeting for Mr. Riady with the President?

Answer. Nancy Hernreich called me. I don't know who talked to Nancy Hernreich. Nancy Hernreich called me, told me that James Riady would like to see the President, and did the President want to see James Riady.

Question. Ms. Hernreich never indicated to you that Mack McLarty had forwarded the request to her on behalf of Mr. Riady, or Mr. Middleton or anything like that?

Answer. No.

Mr. BALLEN. Have you ever seen this document before, sir?

The WITNESS. No, sir.

Ms. COMSTOCK. We will make that Deposition Exhibit No. 24.

[Lindsey Deposition Exhibit No. BL–24 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of any visit that the President had several weeks before this with Mr. Riady where they hadn't completed a conversation and that that's why Mr. Riady wanted to arrange this appointment?

Answer. No.

Question. Did the President indicate to you when you asked him about the meeting with James Riady whether or not he had talked to Mr. Riady recently?

Answer. No.

Question. Were you aware of Mr. Riady being at a dinner on July 30th, 1996, a small dinner that included Mr. Huang and Mr. Riady, Mr. Fowler, just a small group of other people?

Answer. No.

Question. Were you aware of the President meeting with Mr. Riady at all at the Olympics?

Answer. No.

Question. Did you travel with the President to the Olympics?

Answer. Yes.

Question. Did you have any knowledge of Mr. Riady being at the Olympics?

Answer. No.

Question. So you were actually present in this September 9th, 1996 meeting?

Answer. Yes.

Question. And who else was there?

Answer. Mark Middleton, James Riady and the President.

Question. So Mark Middleton was at the meeting on September 9th?

Answer. Yes.

Question. Did you know how he came to be at the meeting?

Answer. No. He came with Mr. Riady, but I don't know—you know, I don't know any more about it than that.

Question. Did you know why he was there with Mr. Riady?

Answer. No.

Question. Was that normal?

Answer. Normal? I mean there were two meetings of this nature in 4 years. The other one had John Huang and Joe Giroir and Riady's wife. This one had Mark Middleton. These were basically drop-by, social visits. You know, if Mark was with James, you know, then it would not be unusual for him to stop by with him. Again, these were not policy discussions or specifically related to any matter, they were just drop-by because James was in town.

Question. Well, we have had other testimony indicating this was a follow-up to a previous meeting. You know nothing about that?

Answer. I know nothing about that.

Question. And generally, what was discussed in the meeting was?

Answer. They discussed, again, they talked about social sort of things, family, what they were doing. James asked the President, made some comment to the President about how—had he given any thought to what he was going to do after

he was President because he'd be so young. And they talked about, you know, staying involved and sort of Jimmy Carter-type ex-presidency, former presidency or post presidency versus a more Reagan or Bush type. I mean, it was just general chitchat like that.

Then at the end of the meeting, as whoever came in to sort of tell the President that his next meeting was waiting or it was time to break up, people sort of stood up and, as I indicated earlier, James said something as he was leaving to the effect of I think you made the right decision on MFN and I hope you will stay engaged in China.

Question. And what did the President say during this meeting?

Mr. MURRAY. In response to that comment?

The WITNESS. He may have said thank you. I don't know if he said anything. It was not sort of the comment—it was not a discussion point, it was simply, you know, a—you know, I think you made the right decision and I think you should stay engaged. I think in response to earlier stuff, he probably said that he hoped to be an active former President.

EXAMINATION BY MS. COMSTOCK:

Question. And did Mark Middleton participate in this discussion at all?

Answer. I don't remember if Mark said anything in the meeting. I mean, he was there but I don't remember him saying anything.

Question. Did you say anything?

Answer. Probably not.

Question. So was this basically a discussion between Mr. Riady and the President?

Answer. Yes. I mean, it was basically a social visit between the two of them.

Question. And there was no reference to a previous meeting that they had, continuing on a conversation, nothing to that effect?

Answer. No.

Mr. BALLEN. For the record, that's the third time that was asked and answered.

Ms. COMSTOCK. I'm just trying to assist the witness in reconciling this with previous testimony.

The WITNESS. My previous testimony?

Ms. COMSTOCK. No, previous testimony from other witnesses, if he has any knowledge about how that refreshes his recollection as to anything that may have been said that seemed to be a continuation, that you didn't know how the topic came up.

Mr. BALLEN. Where is the previous testimony to refresh the witness's—to try to reconcile? Where is the previous testimony?

Ms. COMSTOCK. Mr. McLarty had testified that this meeting was set up to follow up on a previous meeting that the President and Mr. Riady had had, which apparently this witness is not familiar with, so——

Mr. MURRAY. Well, Mr. Lindsey's recollection is not refreshed by your recollection to whatever it was that Mr. McLarty said.

EXAMINATION BY MS. COMSTOCK:

Question. Did you ever talk to Mr. McLarty about this meeting?

Answer. No, not that I recall.

Question. Either before or after the meeting?

Answer. Not that I recall, no.

Question. Okay. On the next page it reads that during the same time period, Fabiani had been asked whether the President and Riady had a private conversation in a limousine somewhere around the time of the summer Olympics during which they discussed policy toward China.

Do you recall discussing that with Ms. Sherburne?

Answer. No. Jane asked me whether or not the President had ever met in a limousine with Riady, and I told her I had no earthly idea.

Question. Did anyone ever ask the President about that?

Answer. I don't know. I didn't.

Question. All right.

Answer. I did say to her, you know, that if they were having a conversation outside in the open, that the Secret Service could well have urged them to get inside of the limo because the Secret Service gets very nervous for the President to stand around outside having conversations. I did not confirm that Riady had sat with the President in his limousine following a political dinner in Washington sometime since the Olympics, because I had no earthly idea whether that was the case.

Question. So that sentence here is inaccurate?

Answer. That's correct. The only thing I said to her was it would not surprise me, again, that if they were standing outside talking, that the Service might ask them

to get inside of the limo in order to complete the conversation because they don't like him standing around in the open air.

Now, "He did not know what they had discussed, and said it likely was private only because the Secret Service would have been uncomfortable with the President standing outside in the open air," again, I told her I had no idea whether they had met, I had no knowledge that they had met. If they had—if there had been a dinner, she may have told me that there was a dinner that he attended. And I told her if there was a dinner and if they were standing outside talking, it is quite likely that they were asked to get in the limo as opposed to standing outside.

Question. Are you aware of anyone at the White House checking any records about this matter, about the limo meeting, the alleged limo meeting?

Answer. I don't know anything about a limo meeting. I think there was an event at one of the hotels in D.C. around the end of July.

Question. July 30th.

Answer. Okay. That Riady attended. But, you know, again, I wasn't at that dinner, I don't know whether he was at that dinner. I don't know anything about it. But I do think the records reflect that he attended a dinner around the end of July.

Question. But your testimony is, then, that you never spoke with the President about what may have been this other meeting that Mr. Fabiani had been asked about?

Answer. No.

Question. Okay. And then in the second paragraph it indicates that "On October 10 or 11, I asked Records Management to pull all the Riady correspondence."

Do you recall discussing the Riady correspondence with Ms. Sherburne?

Answer. Yes.

Question. And what did you discuss?

Answer. She brought the correspondence to the Albuquerque debate prep and she showed it to me. It was the first time I had seen it. She suggested that she thought that referring to the meetings as social, given this piece of correspondence, would not be believed, and therefore we should change our description of the meeting to reflect something more than just a social conversation.

I told her I thought that was crazy, that I didn't see how a 1993 letter from Mochtar Riady could or should change two conversations that I participated in in 1995 and 1996, and that I didn't think—I thought it was a mistake. I thought if we tried to recharacterize it, it would be mischaracterizing it.

She said the press would never believe, based on this letter, that these other meetings weren't—were only social and weren't more policy related, and I said I didn't care what they believed, that was the fact.

Question. Was it your understanding when you responded to the press inquiries that they were only interested in the meetings that you had had with the Riadys, or that they generally wanted to know what the meetings with the Riadys and the President were about?

Answer. There were only three that I was aware of, private meetings, one of which I did not attend, which was described as a photo op in April of 1993; one in September of '95; and one in September of '96. So I was at the only two real, if you don't include the photo op, meetings that occurred, so other than the President of the United States, I was probably the best person to describe what happened at those meetings, you know, in terms of being able to describe them.

Again, she knew at the time, she was aware of what happened at those two meetings. It was only in light of the letter that she thought that the press would not accept our explanation as to what those two meetings were about.

Question. Okay. And then she indicates in the last paragraph at the bottom that there was a conference call on handling it, handling the Riady matter, which included you. The other participants were Harold Ickes, Joe Sandler, Amy Weiss-Tobe, and Joe Lockhardt.

Do you recall that conference call?

Answer. We have conference calls almost every day, so whether or not we had a conference call in which we discussed the inquiries of various people, what the DNC or the White House was getting—so it's quite possible we had a conference call in which we talked about the inquiries of—about the Riady visits.

Question. And one of the sentences here says, "I believe this was the call in which Fabiani also expressed the view that the press did not expect a detailed explanation until after the election."

Did you have a discussion about, you know, when—wait until after the election to discuss the full——

Answer. No.

Question. Picture on this?

Answer. No.

Question. Okay.

Answer. The next sentence is correct: "Bruce reiterated his concern about overstating the significance of the meetings."

Again, my position from day one was that an April or March, whatever the date is, letter, 1993 letter to the President from Mochtar Riady could not and should not have anything to do with how we described two meetings with James Riady 2-1/2, 3 years later.

Question. At this time were you aware of the amount of donations that the Riadys had given to the DNC?

Answer. When? In '96 or 1992?

Question. Well, were you aware of the total donations that had been given in 1992 or '96?

Answer. No.

Question. You had no idea on the numbers or the figures?

Answer. No.

Question. Did you have any knowledge of the amount of money that they had given to the Inaugural?

Answer. No, I don't think so.

Question. Was there ever any discussion of the amount of donations that the Riady family had made to the DNC and to the Presidential Inaugural Committee?

Answer. No, no. What would it have to do with these two meetings? I mean, you know, Riady and Clinton were on friendly terms so, you know, the President saw him not because he gave money to the DNC or to the Inaugural, but because they had a relationship going back to when James had business interests in Arkansas.

Question. And would they be considered longtime friends? When we talked before, not just in the context of what was previously indicated, that maybe the use of "long-term friends" by politicians doesn't really mean friends, was this a real friendship or——

Answer. You know, I don't quite know—I mean, you know, in my world a real friend is a guy you have over to your house for a beer, and you sit around and you talk and you go to movies together, and you do things like that. In that sort of world, no, the Riadys would not be real friends. They saw the President, you know, if it wasn't as a social event, a fund-raising event or a White House type event, they saw the President two, three times in four years, okay?

Do they have a friendship? I mean, do they see each other as friends? Do they ask about, when they see each other, do they know what their wives' names are, maybe how many children they have and ask about them? Yes. You know, so they have that sort of relationship. But again, you know, it's degrees of friendships. They are not a close personal friend, but they clearly were friends.

Question. The last line here reads, "However, no one, including Bruce, disagreed that we needed to provide a fuller account of these meetings if press interest persisted."

Is that true?

Answer. I don't know if that would have been true or not. I don't recall us having a discussion about whether we should go further. Again, I did express concern that I didn't think we should, in my judgment, mischaracterize these meetings based primarily on a three-year old letter.

Question. And then on the next page, EOP 4058 indicates on the top of the page that Joe Sandler had told Jane Sherburne that John Huang had refused to tell him about one of the subjects that had been discussed in his September 1995 meeting with the President, Bruce and Riady.

Do you recall discussing that with Jane?

Answer. Again, I think I told her that probably in one of the first conversations we had at about this time. I had probably a 30-minute telephone conversation with her in mid-October, prior to all of this, in which—or early to mid-October, in which I went through as much detail as I could remember about what the two meetings involved, and I think I had told her in that—at that time that in this meeting John Huang had raised going to the DNC.

Question. Did you ever talk to John Huang about these matters in this time frame, in October of 1996?

Answer. What matters?

Question. About the meetings that—the Riady meetings?

Answer. No, not that I recall, no.

Question. Or the September of '95 meeting?

Answer. No, I don't think so.

Question. Were you aware of people trying to get in touch with them at the DNC—I mean people at the DNC trying to get in touch with him and not being able to find him?

Answer. I don't know if I was aware that the DNC wasn't able to find him. I was aware of the whole dispute about making himself available to the plaintiffs in the Commerce Department lawsuit, Judicial Watch lawsuit. I was aware of that.

Question. Did you have any discussions with him about that, or John Huang?

Answer. No.

Question. Or with anyone at the DNC?

Answer. Oh, I had a lot of discussions with people at the DNC.

Question. And what did you discuss with them about John Huang making himself available?

Answer. We agreed that John Huang would make himself available or he would be terminated.

Question. And were you aware of Mr. Huang going to the Hartford presidential debate? Did you see him at that event?

Answer. I don't recall seeing him at that debate.

Question. You never had any discussions with anyone about him being up there at that event?

Answer. I don't think so.

Question. Are you aware of him being at the White House at any time during this controversy, anyone talking to him at the White House?

Answer. I don't recall, no.

Question. Are you aware of Harold Ickes trying to get ahold of him?

Answer. Separate and—no, I don't remember Harold trying to get ahold of him, separate and distinct. Harold was involved in many of the same conversations I was involved in about what the DNC's reaction should be if John didn't make himself available for the deposition.

Question. Were you aware of him traveling around to avoid the press or leaving Washington?

Answer. No. I had a sense—again, this is a sense—that the DNC knew where he was, he just wasn't going to make himself available for, you know, for the subpoena, but that he was calling in and that they, you know, either knew where he was or were talking to him, and they also knew who his lawyer was, and they communicated to his lawyer that if, you know, if he didn't make himself available to accept service on the subpoena, that he would be terminated.

Question. Was there any concern at the White House during that time that—I mean, there became sort of a, you know, "Where's Waldo?" kind of situation where he wasn't coming in and people are trying to find him, and it went on for about a week or so, trying to—is he going to return to Washington? Where is he? Do you recall any discussions about that?

Answer. No. I didn't have a sense that people at the DNC—I knew he was not making himself available to be served with a subpoena, but I didn't know that he was actively avoiding either the DNC or actively avoiding the service of the subpoena. He just wasn't going to voluntarily make himself available for it.

Question. Was the White House concerned about that, about him not making himself available for the subpoena?

Mr. BALLEN. I think the witness has already testified on this point.

The WITNESS. The White House indicated to him that if he didn't make himself available to accept subpoena he would be terminated.

EXAMINATION BY MS. COMSTOCK:

Question. I know that was the final decision, but what were the discussions leading up to that?

Answer. This is all about 2 days. I don't know if there was all that discussion. The judge had called Joe Sandler down, had suggested to him that, you know, that the DNC—maybe Joe had indicated he didn't know where he was, said that the DNC had some sort of ability to find him. And with that, you know, we said the only ability we had was to tell him to show up for work on Monday and accept service or be terminated, and that we passed that word to his lawyer that, you know, if he didn't show up for work on Monday to accept service, he would be terminated.

Question. Did you have any discussions with the President about that?

Answer. No.

Question. Did the President ever express any concern to you that this was going on and becoming somewhat of an issue in the campaign?

Answer. Not that I recall. It got resolved in about 2-1/2, 3 days. It seemed like this was a Friday, and by Sunday he had accepted service and it was over, and by Wednesday they had taken his deposition and it was a nonevent. I mean there was a little coverage on it that night, but it didn't seem to me to be his—you know, his deposition seemed to be nothing earth-shattering.

Question. You don't recall any conversations with the President?

Answer. I don't believe I had any conversations with the President.

Question. And Ms. Sherburne indicates, she quotes the L.A. Times report on October 16th where you indicated you weren't going to discuss what the September '95 meeting was about.

Answer. That's not quite true. I told them I wouldn't discuss any meeting that anybody had with the President of the United States with the press. You know, he said, "What did they discuss?" I said, "I'm not going to talk to you about meetings that the President has and what's discussed."

Question. And then did you—Ms. Sherburne writes about how she removed herself from this matter at some point. Did you have any discussions about her not being involved in these matters at that time?

Answer. She didn't remove herself from this matter. It became apparent that this was going to last beyond the election and beyond Jane's decision to leave the White House. And therefore, I think it was her decision that someone else who was going to be there, who could see it through, should pick it up, as opposed to her doing it and then leaving and having the person with all of the knowledge about it be gone. So it wasn't any sort of a—I mean it was more of this thing will not be resolved by the time I leave, and therefore, someone else ought to be handling it.

Question. And then she indicates that you had a discussion with Jack Quinn about this. Do you recall that discussion?

Answer. Where's that?

Question. It says, "Harold discussed my concern with Bruce," about the middle of the paragraph there on the bottom, "and reported back that Bruce had conferred with Jack Quinn and they agreed it was sensible for Fabiani and me to withdraw."

Answer. Possible. I don't recall it.

Question. And then she indicates that she briefed you and Cheryl Mills on the information she had collected. Do you know who made the decision that you and Cheryl Mills should be the people addressing these matters?

Answer. No.

Question. Did Jack Quinn make that decision, or did you all just kind of take them on?

Answer. Well, again, she may have briefed me. I don't think—I think Cheryl was actually involved in it. You know, I again was on the road 99 percent of the time. So other than to the extent that I was, you know, the person who knew something about at least two of the events, Cheryl really took it over.

Question. Okay. And then briefly, because the rest of the discussion is regarding the New York Times story that then followed and said there were disputes on how to characterize the Riady visits, you had—did you have a disagreement with Ms. Sherburne at this time on how to explain this to the New York Times?

Answer. I didn't know anybody was explaining it to the New York Times until I read it in the New York Times.

Question. Did you receive a copy of this memo that we are reviewing?

Answer. Yes.

Question. And we have another, EOP 8737, another——

Answer. What's it say at the top?

Mr. MURRAY. It says, "Jack, this is mostly crap. Bruce."

EXAMINATION BY MS. COMSTOCK:

Question. That is your handwriting?

Answer. That is my handwriting and that is my comments.

Ms. COMSTOCK. This is EOP 8737 through 41. I want to make the first one, EOP 4056 through 60, make that Deposition Exhibit No. 25. And then I'll make your copy, EOP 8737 through 41, Deposition Exhibit No. 26.

[Lindsey Deposition Exhibit No. BL–25 was marked for identification.]

[Lindsey Deposition Exhibit No. BL–26 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall who gave you a copy of the memo?

Answer. I think Jane did.

Question. And did you discuss the memo with Jane?

Answer. No.

Question. Did you discuss it with Jack Quinn?

Answer. Other than writing my comments on it, no. I may have told him that personally I thought it was mostly crap.

Question. And what were you referring to there?

Answer. Well, we just went through my disagreements and differences with the factual statements here. I mean——

Question. Did you identify to Mr. Quinn or to anyone at the White House the points that you disagreed with?

Answer. Oh, you know, there was a whole series of discussions, most of which you have here. Jane called me in Australia when the New York Times story came out and told me that, you know, that she hadn't said what this said, that she wasn't the source for some of the information in here, that she and I never had a disagreement, and so on and so forth.

Answer. decision was made that Jane should write a letter to the editor of the New York Times outlining what she said happened. That letter never got written. Cheryl Mills—Jane had told me, she had told Maggie Williamson, she had told Cheryl Mills, she may have told David Kendall, she told all of these people that what was in the New York Times and the suggestions in the New York Times were not correct.

So Cheryl made an attempt, based upon what she had told all of those people, to write the letter that Jane wouldn't write. Jane then told Cheryl—you know, but that was based upon not only what she had told Cheryl and me but what she had told Maggie and Kendall and others—Jane said she couldn't sign that letter and wrote this memo.

So at this point there had been an extensive, not with me personally, but an extensive back and forth about what Jane was telling us she had said and what I think is reflected in the letter to the editor and then what is reflected in this.

Question. And so the letter to the editor, which is EOP 4943 through 45, has a handwritten note, I believe, to Jane from Cheryl Mills?

Answer. Yes.

Question. That is her handwriting on the front of that page?

Answer. Yes.

Question. It's dated 11-22-96. It says, "After talking with you yesterday about the letter you've been working on." Jane was working on a letter?

Answer. She said she was. I mean, no one ever saw it, but she claims for a period of time that she was writing this letter, and we thought time was slipping away and if you were going to respond to it, you should respond. We were hoping to respond by the Sunday paper, so that there would be a response in the Sunday paper. Time was slipping away, so Cheryl took her hand at drafting something.

Question. Did you work on this with Cheryl Mills?

Answer. I think she read it to me, but I don't know if I worked on it with her.

Ms. COMSTOCK. I'll make that Deposition Exhibit No. 27.

[Lindsey Deposition Exhibit No. BL–27 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Was it Mr. Fabiani who was discussing this with the New York Times? Is that the concern, about how he was characterizing it in some way?

Mr. MURRAY. Characterizing what?

EXAMINATION BY MS. COMSTOCK:

Question. Characterizing the meeting, what he had been told?

Answer. I don't know who—whether Mark Fabiani or Jane were talking to the New York Times. I don't know.

Question. Okay. And then EOP 4946 through 47 is another draft of the letter, which is dated 11-23-96. At the top it says, "New draft reflects comments of Evelyn, McCurry and Lindsey." Do you know whose handwriting that is on the top of that version?

Answer. Maybe Cheryl's, but I can't tell.

Ms. COMSTOCK. I'll make that Deposition Exhibit 28.

[Lindsey Deposition Exhibit No. BL–28 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall discussing this with Harold Ickes?

Answer. I don't recall.

Question. Because we have another copy of the November 26th memo. It's EOP 7378 through 82. It appears to have Harold Ickes' handwriting on it. Did you ever see a copy with Harold's handwriting?

Answer. No. The only copy of this memo I ever saw was the one that I got that I returned to Jack.

Ms. COMSTOCK. I'll make this copy, which has Harold Ickes' handwriting on it, Deposition Exhibit No. 29.

[Lindsey Deposition Exhibit No. BL–29 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Finally, this EOP 49—actually, I'm sorry. This is—during this time frame, did you have any discussions with the President about the characterizations of these meetings and the President clarifying it, as opposed to you or Ms. Sherburne qualifying it, how the meetings were characterized?

Answer. Yes.

Question. Because the President had made statements in the New York Times; is that correct?

Answer. My understanding is that the President would characterize the meeting the same way I did.

Question. But did you have discussions with him about that?

Answer. I've had him tell me, "I don't know how these people can characterize the meetings since you and I were the only two in them."

Question. And then EOP 4948, which is a memo to Cheryl from Jane, it's 4950—I'm sorry, 4948 through 4950, to Cheryl Mills from Jane Sherburne. Did you get a copy of this November 26th, 1996 memo going through the letter to the editor?

Answer. No.

Ms. COMSTOCK. Let's make that Deposition Exhibit Number 30.

[Lindsey Deposition Exhibit No. BL–30 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. And we've also received these handwritten notes.

Answer. I may have seen this. Cheryl may have shown this to me. I just don't recall.

Question. Okay.

Mr. MURPHY. This being the November 26, '96, note from Jane to Cheryl.

Ms. COMSTOCK. Right, we just made it Deposition Exhibit Number 30.

The WITNESS. I did not receive a copy. Whether or not Cheryl had shown me a copy, I just don't recall.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. And then there's some handwritten notes which I believe are Jane Sherburne's written notes, which are EOP 4061 through 63. Did you ever receive these notes for any reason?

Answer. No.

Ms. COMSTOCK. Okay. Let's make that Deposition Exhibit Number 31.

[Lindsey Deposition Exhibit No. BL–31 was marked for identification.]

Ms. COMSTOCK. And then there's a December 7th, 1996, memo for Jack Quinn from Cheryl Mills regarding the November 26th memo.

EXAMINATION BY MS. COMSTOCK:

Question. Did Ms. Mills discuss this memo with you?

Answer. I don't—I don't recall. I don't—I don't think so.

Question. And I believe you've kind of testified, in essence, to what is in here, so I won't go through this again, but just for the record, I'll make this Deposition Exhibit Number 32. And that's EOP 4956.

[Lindsey Deposition Exhibit No. BL–32 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Is there anything that you would want to comment on on this document? I'll certainly give you the opportunity if there are any additional comments you have.

Answer. No.

Mr. MURPHY. I've got two left. Do you have two left?

Ms. COMSTOCK. Those were repeats. I don't know if——

The WITNESS. That's not a repeat. That's another——

Mr. MURPHY. Erskine Bowles' copy or Leon——

The WITNESS. No.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know whose handwriting that is?

Answer. No. It's different than the one that Erskine says he doesn't need to be involved with this until he becomes Chief of Staff.

Question. But is that the same memo?

Answer. Right. Both of them said "returned unread."

Question. Is that Jack Quinn's handwriting on there?

Answer. I don't—I cannot tell you that's Jack Quinn's handwriting. I believe Jack Quinn has told me that he—he reflected that he was filing it unread.

Ms. COMSTOCK. Okay. Why don't we go ahead and make that Deposition Exhibit Number 33, just so the record has things there. And I'll—the other letter to the editor that has Jane's note on it at the end, I'll make that Deposition Exhibit Number 34.

[Lindsey Deposition Exhibit No. BL–33 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. And this is a November 25th, 1996, letter to the L.A. Times, Allen Miller. And were you involved in discussions in responding to Mr. Miller's inquiries?

Answer. Specifically, I don't recall. I mean, I was—I was involved in discussions with responding to various inquiries from various news outfits. Whether or not Allen Miller was one of them or not, I don't recall. Yeah, I think I was involved with this one, because after this one, he asked many of the same questions to us, and we wrote a letter, I believe, also, to him saying that, basically, the letter, as written by the DNC, reflected our understanding as well.

[Lindsey Deposition Exhibit No. BL–34 was marked for identification.]

Ms. COMSTOCK. Okay. If we could just break for a moment.

[Discussion off the record.]

Ms. COMSTOCK. I just want to let you know that we do still have—oh, I'm sorry.

Mr. BALLEN. I need to take a brief break at this moment for a moment anyway.

Ms. COMSTOCK. Okay.

[Recess.]

EXAMINATION BY MS. COMSTOCK:

Question. Okay. And then I think we've discussed a lot of the matters that are in this November 25th letter to Allen Miller from Amy Weiss Tobe. But directing your attention to the second page, it says that—in the third paragraph down, it says the DNC has a long-standing policy with cooperating with all regulatory and judicial proceedings. Consistent with this policy, Mr. Huang testified fully at his deposition without invoking the Fifth Amendment privilege.

Do you recall if there was any discussion with Mr. Huang that you know of or that you learned of about whether or not he should invoke his Fifth Amendment privilege?

Answer. I don't know whether we had a discussion specifically, but I think we had a—because we thought he was or wouldn't. But I think we had a general discussion about, if he did, whether or not we would terminate him. I think the answer was we would.

Question. And that would have been a discussion in late October, then?

Answer. Well, it would be right around the same time that we were discussing whether or not he—whether we would terminate him if he did not accept service. Then I think, again, I don't know if it was a hypothetical question or—you know, I think it was a hypothetical question—hypothetical question: What happens if he—if he shows up but then refuses to answer based upon his Fifth Amendment rights. And I think we decided we would terminate him under that condition as well.

Question. Do you know who "we" is who talked about that?

Answer. Again, I think "we" is Joe Sandler, Harold, me. I don't know. You know, in general discussion about this. I don't know whether Jane was involved or not.

Question. Do you know whether that was communicated to Mr. Huang's attorney?

Answer. No. I don't know if it ever came up. I mean, because I think it was more of a hypothetical—the accepting service was clearly real, because, you know, the Judge had instructed him to.

My sense is that the discussion about whether or not to invoke—what we would do if he invoked the Fifth Amendment was more hypothetical in that we were just, in our own mind, trying to decide what our position would be. And I think we decided that we would terminate him.

Question. Did anyone raise any reason to take the Fifth?

Answer. No. I mean, I don't think it was a specific conversation. I think it was just, well, if he shows up, and he takes the Fifth, what are we going to do. And, again, I don't know if it was ever repeated to him or if it was ever a necessity to repeat to him.

Question. Was it ever communicated to him that the President would like him to come forth and speak on this?

Answer. I don't—I don't know. I never spoke to John, so I don't know what was communicated to him.

Question. Was there ever an effort made to let John Huang know this is hurting the President, the President would like you to come forward and speak about this?

Answer. Again, I don't know the answer to that. We had conversations in which we said that, you know, he either was going to come forward or he was going to be terminated. And we got word back that if that was the case, he would come forward.

[Witness confers with counsel.]

Ms. COMSTOCK. Was there any matters you wanted to clarify at this point?

Mr. MURPHY. No, I was just confused about something.

The WITNESS. I was just clarifying with my lawyer.

Mr. MURPHY. He's keeping me straight.

EXAMINATION BY MS. COMSTOCK:

Question. The next paragraph indicates that Chairman Fowler made the decision to let Mr. Huang go, along with a number of other fund-raising staff. And Ms. Thornberry informed Mr. Ickes. And Mr. Ickes also briefed Mr. Lindsey on this matter. Do you recall what Mr. Ickes told you about Mr. Huang's status?

Answer. Uh-huh. He told me that they were going to let John go. And I—I don't know if he told me or I asked, you know, is this unique to him or in that he's been in there the course of it. He said, no, that they were letting him go because the campaign was over, and they were letting go a good number of their fund-raising people.

I said at that point, as long as it was part of a general downsizing, if they were—you know, at that point, I didn't know of any reason why John Huang should be singled out. But if they were going to let go of all of them, I didn't see any reason why John Huang shouldn't be included.

Question. At this time, I guess this is—by November of '96, there also was in—the FEC had begun to look into things. Was it your understanding that John Huang was cooperating with DNC's own sort of internal review and assisting the FEC in any review they were going to do?

Answer. I don't know the answer to that.

Question. Did you have any understanding of whether or not John Huang was provided access to his records at the DNC?

Answer. I don't think I knew one way or the other. I don't know whether they asked or whether he had or hadn't.

Question. Do you know if John Huang's records were sealed off in any way at the DNC?

Answer. No.

Question. When he was let go, do you know of any effort—did anyone suggest that his records should be sealed off and secured?

Answer. I—I wasn't aware of any conversation like that. I don't know whether anybody else suggested it or not.

Question. Okay. You were aware when Dick Morris left the campaign abruptly in August of '96 of his office being sealed and not being able to get back to his——

Mr. BALLEN. I'm going to object.

Ms. COMSTOCK.—document.

Mr. BALLEN. I object to the relevancy of this question. I don't see what it has to do with the campaign finance investigation.

Ms. COMSTOCK. I'm just trying to get at the practices.

The WITNESS. One is the DNC and one is the campaign. I think Lynn Utrecht made a decision to do that. U-T-R-E-C-H.

Mr. MURPHY. T.

EXAMINATION BY MS. COMSTOCK:

Question. With Mr. Morris?

Answer. I think she made the decision to do that with Dick Morris.

Question. Do you know why that was done?

Answer. No.

Question. How did you learn of that decision?

Answer. I think someone told me she had changed the locks or something.

Question. Okay. And was there concern about preserving records in that——

Mr. BALLEN. I'm going to object to this line of questioning, because we had an agreement as to what we were going to finish questioning on, so minority would have a chance to ask its 10 minutes' worth of questions in a 6-hour deposition. Now that we're opening up another topic, that puts that agreement into jeopardy.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. I'm just trying to get a point of comparison here on how Mr. Huang's records were treated. If you know, if you know of any effort made to secure Mr. Huang's records.

Answer. Again, I knew—I don't know whether there was or was not an effort to secure his records.

Question. Okay.

Answer. I don't know. I don't have any knowledge one way or the other.

Question. Do you have any knowledge of the DNC's record search in general and how they're going about searching for records?

Answer. No.

Ms. COMSTOCK. Okay. I'll make this Deposition Exhibit Number 35. It's a November 25th, 1996 letter.

[Lindsey Deposition Exhibit No. BL–35 was marked for identification.]

[Witness confers with counsel.]

The WITNESS. I'm sorry, was this an exhibit? Okay.

EXAMINATION BY MS. COMSTOCK:

Question. This is a December 16th, 1996, Los Angeles Times memo to Mike McCurry from Glenn Bunting, re: Bruce Lindsey, asking you some questions following up on Mr. Huang and his hiring and matters like that.

I won't go into detail with the questions, but you provided a December 18th response. You prepared this December 18th, 1996 response EOP 37012 through 13; is that correct?

Answer. Yes.

Question. And could you just generally tell us about—walk us through——

Mr. MURPHY. Why?

Ms. COMSTOCK.—how——

The WITNESS. I was responding to the letter, the December 16th request for information. I was giving responses to it.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. And at this time, when you were responding to this, did you use any records or refer to any documents that have been gathered at that time?

Answer. Apparently, I must have looked at the records with respect to the Kristoferson material, because it says I do not recall the briefing, but a note from Mr. Christopherson indicates that it occurred. So I must have looked at something. I probably, you know, looked at—I had testimony before the Senate Whitewater Committee to see what the reference was down in the one, two, three, four, fifth paragraph. Beyond that, I don't remember, you know, looking at any documents.

Question. Okay. But do you recall documents about Mr. Huang's appointment being pulled at that point, then, in December of 1996? Gary Christopher, you reference a note from Gary—from Mr. Christopherson.

Answer. Probably pulled and provided to various people who had requested it, including probably members of this committee. We had gotten letters starting in November about these issues, and we were pulling documents and responding to those letter requests.

Question. Okay. And were you reviewing those requests as they went through and the material in them?

Answer. Some. Some not. I mean, you know, you know, again, I don't—I can't tell you that I reviewed all of them. I helped, you know, look at some of the documents in response to some of the requests.

Mr. KANJORSKI. Ms. Comstock, is there a chance now—it's about eight minutes left.

Ms. COMSTOCK. Yeah. I'll make the December 16th, 1996 memo Deposition Number 36. And we'll make Mr. Lindsey's response of December 18th Deposition Exhibit Number 37.

[Lindsey Deposition Exhibit Nos. BL–36 and BL–37 were marked for identification.]

EXAMINATION BY MR. COMSTOCK:

Question. And just to complete the record, there are two more responses.

Answer. Right. Just proving that, any time you respond to the press, they'll come back with more questions.

Question. And this a December 19th request from the Los Angeles Times to you and then your December 20th response back. And do you recall either of these, ei-

ther the previous one, the 18th or the 20th, if you had any discussions with the President about any of these——

Answer. No.

Question. Matters or with Mr. Ickes or anyone else at the White House?

Answer. No. I would note that, shortly after I wrote this, Sara Fritz was pulled off the Whitewater Water coverage.

Question. I'm sure she appreciates that.

Answer. I'm not sure if she does or doesn't, you know.

Ms. COMSTOCK. Okay. I'll make December 19th memo from the Los Angeles Times Deposition Exhibit Number 38 and the December 20th memo——

Mr. BALLEN. We don't have those copies. The Minority doesn't have a copy of the last two——

Ms. COMSTOCK. Okay.

Mr. BALLEN.—that you were discussing.

Ms. COMSTOCK. We'll make that last one Deposition Number 39, the December 20th response from Mr. Lindsey.

[Lindsey Deposition Exhibit Nos. BL–38 and BL–39 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. And, finally, somewhat related to, but I just wanted to finish—we had mostly gone through the Hubbell things. When Mr. Hubbell testified in February of '96 about Lippo payments, did you have any discussions with anybody at the White House at that time in February of '96 about Mr. Hubbell's public testimony at that time when he was asked about if he had done any work for Lippo?

Answer. Again, not any other than just asking somebody if they had seen the article or something like that. No, I didn't have any substantive discussions about it.

Question. Okay. Thank you. I will break now for the Minority.

EXAMINATION BY MR. BALLEN:

Question. Mr. Lindsey, we want you to know that Mr. Kanjorski and the Minority Members of this committee extend their thanks to you to take your time here with your busy session. You've been here nearly 6-1/2 hours with only minor breaks. Your effort to provide full and complete answers is noteworthy.

Answer. I appreciate it.

Question. I just have a few questions, sir.

First of all, on the Webster Hubbell matter which you were questioned about extensively, did the President or the First Lady at any time ever ask you, sir, to find employment opportunities for Webster Hubbell after he resigned from the Justice Department?

Answer. No, sir.

Question. And, in fact, sir, you never tried to find employment opportunities for Webster Hubbell after he resigned from the Justice Department?

Answer. No, sir, I did not.

Question. And you had no idea what services Webster Hubbell provided the Riady family, if any, in 1994, did you, sir?

Answer. I do not know.

Question. Did you ever tell the President or the First Lady that Webster Hubbell was working for the Riady family?

Answer. No.

Ms. COMSTOCK. Or for the Lippo Group?

The WITNESS. No.

EXAMINATION BY MR. BALLEN:

Question. Did you or the President ever have what you would consider a substantive discussion about Jane—with James, I'm sorry, with James or Mochtar Riady about changing our trade policy in any fashion?

Answer. No.

Question. Have you, to your knowledge, or the President ever been lobbied by the Riadys to specifically change any U.S. trade policy or any other policy of the United States Government?

Answer. No, sir.

Question. In fact, sir, have you ever urged changes in U.S. trade policy or any other policy of the United States Government in response to hearing the views of either James or Mochtar Riady?

Answer. No, sir.

Question. Are you aware of any efforts by James and Mochtar Riady to lobby for changes in U.S. trade policy or any other policy in the United States Government?

Answer. I know that Mochtar Riady wrote a letter in early '93 in which he urged a one-level approach toward Vietnam, but I learned of that in October of 1996 after—clearly after our policy already had been changed with respect to Vietnam.

Question. There are a series of questions that Mr. Condit, a member of our committee wanted to have asked. Have you ever been asked by any other official investigative body to testify and provide evidence on any of the matters being investigated by this committee now?

Answer. Yes.

Question. Which other bodies would that be?

Answer. Justice Department, a couple Federal grand juries, the Senate. To the extent we talked about the Whitewater, the RTC, Inspector General, yeah, Senate and the House both, the current committee and the Banking Committee, and later the Whitewater Committee.

The last time I did a check, I had given or testified, I think, publicly or in deposition, not including maybe grand jury and RTC and Justice Department, FBI investigation, 17 times between the Senate and House on Whitewater and other related matters.

Question. Is this number 18? Does that include the Senate?

Answer. Yeah, that includes—that includes all of my testimony before the Senate, almost every time I testified in the Senate was preceded by a deposition. So it would be both the deposition, and then the hearing would be twice. And if you go back to 1993, I—I think, at that time, it was 14. And since then, I've testified before the Senate and the House and one more investigation downtown.

Question. Okay. Have any of these requests for information overlapped with one another?

Answer. Yes.

Question. Have you received any request to provide more documents or testimony in the future that are pending that you know of?

Answer. The harder question is that I know of. I think we got a—a revised version of document requests that overlapped significantly with the document requests we had received earlier. And I think we're in the process now of trying to figure out where the overlap is to find out which documents we've already provided and which ones we haven't.

Question. This may be a difficult question given the amount of time here, but can you estimate how much of your time you have spent in responding to requests from this committee, I'll put the Senate, since it overlapped so substantially, for testimony, information, and documents?

Answer. It's almost impossible. I mean, there are times when, you know, for a week or so, I would do nothing but respond to either requests for production of documents or testimony, either by deposition or in hearings.

You know, I mean, again, my involvement goes back, unfortunately, to, you know, March of '94. And so it involved a criminal investigation as well. So it's hard for me to sort of single out.

Question. Let's take it from January of this year, then, when this current Senate and the House investigation had started. Can you give any sense of how much time you've spent?

Answer. Document productions have taken up at least half of my time probably.

Question. Half of your time since——

Answer. Yeah. That, again, is not only my own personal document productions, but also having, until we got this new group in, Lanny Breuer and others, having some involvement in reviewing other documents from other people.

Question. So this has been a substantial burden on your time?

Answer. Oh, absolutely.

Question. Have you incurred expenses in responding to all of these requests?

Answer. Yes. Most of them are sitting right here next to me.

Mr. MURPHY. Modest, I can assure you.

EXAMINATION BY MR. BALLEN:

Question. Well, that was actually my next question. Can you estimate the extent of expenses?

Answer. Well, again, actually, you know, as the Majority knows, I quit bringing lawyers to these at one point and started coming on my own in order to try to avoid the cost of having lawyers. That turned out to be a little bit of a mess in and of itself.

Again, it's hard for me to separate this from—from my others. Bill would have a better sense. One, he's doing it at a discounted rate, and, two, I hope in the end that there will be a representational fund that will cover all or some of it on the grounds that everything I did, I believe I did in some sort of official capacity and not personally.

Question. In that regard, has this committee offered to reimburse you for your time and expenses?

Answer. No. In fact, this committee, frankly, has made it more difficult, because, otherwise, I would be represented by the White House Counsel's Office. Because I believe, again, that I have a right, since everything I did was, you know, in official capacity, to be represented by the Counsel to the White House. And this committee has taken the position that the White House Counsel's Office cannot represent White House staff people, therefore, requiring us either to come without a lawyer, which is not necessarily acceptable, or hire outside attorneys.

Question. Will you plan to seek reimbursement from the committee for these expenses?

Answer. I didn't know that was an option.

Mr. BALLEN. Thank you very much.

Mr. MURPHY. If it is an option, please send us a memo. We'll pursue it.

Mr. BALLEN. Mr. Kanjorski, do you have anything?

Mr. KANJORSKI. No.

[Discussion off the record.]

Ms. COMSTOCK. We can let the record reflect, and we do have some open matters that we've discussed off the record that we'll have to continue the deposition, but we will consider it done for today and have to pick up at another time depending on what occurs elsewhere. Thank you.

[Whereupon, at 4:35 p.m., the deposition was concluded.]

[The exhibits referred to follow:]

30022

COPY
from ORM

LIPPO GROUP

Bruce,

Thanks so
much for your
kind help +
attention.

Have a nice
& successful trip
in Tokyo & God
bless you.

Sincerely
RIADY
James Riady

EXHIBIT
BL-1

TO: Chairman Wilhelm
FR: Vida Benavides

RE: APA Must Place List

==========

The following names were key players during the Clinton/Gore campaign. Thus far, their nomination have been held up. Per our conversation, you've asked for their names to see if you can assist in some way. Here are the names that needs to be pushed further in the WH or at the agency level.

Thanks for helping me out on this.

AGENCIES
==========

STATE

March Fong Eu	Ambassador
Irene Natividad	administrator position

GENERAL SERVICES ADMINISTRATION

Gloria Ochoa	GSA Region 9 Administrator

AGENCY FOR INTERNATIONAL DEVELOPMENT

Paula Bagasao	SES level

EDUCATION

Dale Shimisaki	Region 9 Director
Dang Pham	Deputy Director/Bilingual Education
Joan Yoshitomi	Region 10/Director

HEALTH AND HUMAN SERVICES

Jacqueline Huey	Region 2/New York
Cora Yamamoto	Food & Drug
Lorie Garduque	
Jocelyn Yap	Children/Youth/Families
Lam Nguyen	Office of Refugee & Resettlement

F 0031769

EXHIBIT
BL-2

P.2

SMALL BUSINESS

Yvonne Lee	Region 9/Regional Advocate

COMMERCE

John Huang	DAS/Asia
Shan Thever	DAS /Africa/Near East/South Asia
T.S. Chung	Export/Import

TRANSPORTATION

Colleen Yamaguchi	Deputy Assistant Secretary International Aviation

HOUSE & URBAN DEVELOPMENT

Bill Chong	Region 2 / Deputy Director

DEPARTMENT OF JUSTICE

Steve Thom	Community Relations Service

INTERNAL REVENUE SERVICE

Jacquline Wong	Chief Counsel/Legislative Affairs

RESOLUTION TRUST CORPORATION

Bill Hou	Deputy Chief Counsel

POSTAL RATE COMMISSION

David Valderrama	Commission

COMMISSION ON COMMUNITY AND NATIONAL SERVICE

Daphne Kwok
Gloria Caoile

DEPARTMENT OF AGRICULTURE

Lon Hatamiya	Administrator for Marketing & Services

* held up at WH counsel

F 0031770

p.3

NEED TO NAME TO A COMMISSION

Mike Woo (ran for LA Mayor, FOB, ex-councilman of LA)

ASIAN PACIFIC AMERICAN MUST CONSIDER RECOMMENDATIONS TO THE CLINTON ADMINISTRATION

SUBMITTED BY

DORIS MATSUI, TRANSITION BOARD OF DIRECTORS
MARIA HALEY, POLITICAL DIVISION
MELINDA YEE, PERSONNEL DIVISION

REDACTED

NOVEMBER, 1992*

*This is the first of a series of must consider recommendations to be submitted.



TABLE OF CONTENTS**

TAB 22 - MUST CONSIDER RECOMMENDATIONS TO THE WHITE HOUSE

MELINDA YEE, WASHINGTON, D.C.

TAB 24 - MUST CONSIDER RECOMMENDATIONS FOR ECONOMICS, TRADE, COMMERCE, OMB, TREASURY, FEDERAL RESERVE BOARD, SEC, SBA, FDIC

JOHN HUANG, CALIFORNIA

REDACTED

Democratic National Committee

MEMORANDUM

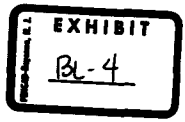
TO: John Emerson

FROM: David Wilhelm

DATE: August 27, 1993

RE: Asian Pacific American Administration Appointments

Attached please find a list of Asian Pacific Americans who are interested in being considered for positions with the Administration. Could you please have a staff person contact Martha Phipps with the status of their applications. Both Martha and I can be reached at (202) 863-8121 if you have any questions.



F 0031764

430 South Capitol Street, S.E. Washington, D.C. 20003 (202) 863-8000
Paid for by the Democratic National Committee. Contributions to the Democratic National Committee are not tax deductible.
Printed on Recycled Paper

MEMO

TO: Chairman David Wilhelm

FR: Vida Benavides VB 8.18.93

RE: Asian Pacific American Administration Appointments

This memo is a follow-up on our conversation (8/14/Saturday at 10:10 am) in regard to Asian Pacific American appointees.

You mentioned that Niranjan Shah is up for an appointment and questioned me about the status of Asian Indians. I noted that the nomination of Mr. Shah will be great, however, the Administration just lost two Asian Indian appointees:

Neil Dhillon, Deputy Assistant Secretary/ Transportation left to run for office.

Atul Guwande, Sr. Adviser to Health Care Task Force/HHS and instrumental in drafting the Health Care Reform just left to attend Medical school.

We only have one Asian Indian appointee and her name is Arati Prabhakar, Director of National Institute for Standards and Technology/Commerce.

Thus far, the Administration has made significant APA appointments, however, key players in the APA community/democratic party/ officials have not yet been appointed. The following is a summary of individuals from the APA community with status pending.

P.2

March Fong Eu:
CA. Secretary of State
==========

She raised lots of money for the Clinton/Gore Campaign and was visible throughout California as a surrogate speaker. She is currently considered as one of the few candidates for an ambassador to a Asian country.

She has indicated that she dosn't want to run for the office of Secretary of State in California and has several Congressional and political leaders up and down the state of California supporting her nomination to a top Clinton post.

Argument from WH states that the State Department/WH inner circles want to award oversees misssions to career foreign service. There is no problem with that, but we have awarded oversee's mission post to political/socialite personalities as well (i.e. Pamella Harriman to France). The argument to award career foreign service is moot if we have already given oversee's post for political reasons.

The Bush administration appointed top APA's to Foreign Service post such as :

Wendy Lee Grahm, Ambassador to Nepal
Elaine Chow, Peace Corp Director

March Fong Eu is a top candidate who should be appointed to Ambassadorship level or a high visible commission. This administration has no excuse not to name a top APA/Democratic leader to a high ranking appointment.

Gloria Ochoa
==========
former Board of Superviser/Santa Barbara County
first Filipino-American to run for Congress
Long time Democrat and held several California State post

Ms. Ochoa's nomination has been held up at the WH. She interviewed for GSA Region 9. She's been on hold since early May. WH has indicated that they are looking at a slot for her at Energy, yet GSA officials want her to be region 9 administrator.

The Filipino-American has been critical of the appointment process due to the fact that their 3 top candidates have not received a major appointment yet. Ms. Ochoa is one of them.

P.3

Rajen Anand Ph.d
==========

California Asian Pacific American Democratic Caucus ex-chair. Major fundraiser and leader in the APA community. He is well known in the Asian Indian circles and did major fundraisers for the State party, candidates, and DNC.

His nomination has been held up at the Department of Education.

Paula Bagasao Ph.d
==========

Dr. Bagasao is a long time Democrat and Filipino-American leader. She was one of our key organizers in the APA community of New York as well as a known figure in California. She also headed up fundraiser in both states.

She joined the Transition Team and was a team leader for the Deparment of Education. Thus far her situation has not been confirmed. She is on contract with AID (Agency for International Development) and waiting on a confirmation. She has been on hold since Transition. Thus far, the:

1) White House is waiting for a letter from AID to upgrade her from AD 15 to AD 18,

2) once her boss is confirm, then she needs assistance in helping push for an SES position

Irene Natividad
==========
ex-President of National Womens Political Caucus
APA Community leader
Leading advocate for minority & womens issues
Assisted in nominating others for positions

Her candidacy for a nomination has been supported by several Congressional, professional and civic leaders. She indicated earlier that she would like to be considered for a State Department post. She is also being considered for several Boards and Commissions.

She is clearly a visible leader and yet, nothing has happened with her nomination process.

P.4

Dale Shimisaki (Ph.d track)
==========

Educator, Clinton/Gore organizer in the APA community, fundraiser, overall support by Feinstein, Boxer, Willie Brown and several congressional, professional and educational leaders.

Needs extra support and push for the Regional Administrator spot for Department of Education for Region 9/San Francisco.

WH insiders say that Region 9/which is a heavily Asian Pacific American (and or diverse area) would like to put a non-Californian and Anglo-Saxon candidate due to political reasons. It will be politically damaging to put an outsider who has no knowledge of California's diverse population and its educational system to the Region 9 post.

John Huang
==========

DNC Trustee, Major Fundraiser

Needs extra push for Deputy Assistant Secretary Position for the East Asia & Pacific.

Yvonee Lee
==========
Primary organizer/leader for the Asian Pacific Americans (APA) for Clinton/Gore Committee in the San Francisco Bay Area. Key contact for any APA activity in the area. Organized Pena's & Brown's activities in the Bay Area. Her nomination is supported by Senators, Congressional (Mineta/Matsui/Boxer/Feinstein) and civic leaders.

She is the top candidate for Region 9/SBA as the Regional Advocate. No word from the WH why its stalled.

Dang Pham
==========
Clinton/Gore National Organizer for the Southeast Asian community. Fundraised and translated all Clinton/Gore materials for us. His nomination is supported by congressional (Kennedy/Mineta) and several education and civic leaders.

He is being considered as Deputy Director for Bilingual Education. His appointment will be critical to the South East Asian community. Thus far, the Administration has appointed only one Vietnamese American to a post (Special Asst. level).

Bush administration appointed Sichan Siv (Southeast Asian)

MEMORANDUM

To: Jan Piercy and John Emerson

From: Maria Haley

Re: Asian Pacific Americans

Date: March 11, 1993

Attached is the list of MUST PLACE Asian Pacific Americans. These are the people who worked very hard in the campaign, raised money, did voter registration drives, GOTV, community events etc. They are also looked upon as community leaders. These candidates are also eminently qualified for the positions they are interested in.

The list is divided in two parts: Senior positions and Schedule C's. Boards and Commissions are not included. We did a separate memo to Janet and we will review this now and star the MUST PLACE.

FYI: Tier I and Tier II candidates have been in PPO lists with the cabinet secretaries since December, but few were considered and fewer interviewed. I have asked Melinda and Paula to do an analysis per department to provide you the necessary information when you talk to the Secretaries. I honestly believe that it would necessitate a phone call by either of you to get any action.

Thanks for your concern and interest.

cc: Bruce Lindsey

EXHIBIT
BL-5

TO: Maria Haley
FR: Melinda Yee MY
RE: Must Consider Asian Pacific American Appointments
DATE: March 10, 1993

Per your conversation with John Emerson and Jan Piercy on March 2, the following Asian Pacific Americans were extremely helpful, dedicated and involved during the campaign, and/or the transition. All are sponsored internally by Doris Matsui, you, and me. Resumes have been given to search managers, resumex, and are on file in our office. We must make every effort to place them in full-time positions.

PAS/SES/Senior Appointments

REDACTED

Candidate: John Huang, California
Proposed Positions: SBA - Deputy Director or Commerce - DAS ITA or Treasury Deputy
Remarks: Currently Vice-Chair, Lippobanc; extremely supportive both financially and organizationally during campaign; met in meetings with BC several times; close with many Senators and members of Congress: co-host of Asian Pacific American fundraiser during campaign in Los Angeles

EOP 004236

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO THE PRESIDENT

Through: Bruce Lindsey, Director of Presidential Personnel

From: Gilbert Colón, Associate Director of Presidential Personnel
Maria Haley, Associate Director of Presidential Personnel

Date: April 19, 1993

Subject: Associate Deputy Administrator for Business Development, Small Business Administration

---

I. BACKGROUND

The Office of Business Development in the Small Business Administration is responsible for the management and oversight of several program offices including Business Initiatives, Education and Training, International Trade, Veterans Affairs, Small Business Development Centers, and Women's Business Ownership. The Associate Deputy Administrator for Business Development develops policies which use the private sector to obtain maximum leverage from all special constituency programs by marketing the SBA's services to small businesses through counselling, workshops, publications and cooperation among resource partners such as the Service Corps of Retired Executives, Small Business Institutes, and the Small Business Development Centers. Finally, the Office of the ADA/BD runs the Agency's new on-line Electronic Bulletin Board.

II. DISCUSSION

In our search for the Associate Deputy Administrator for Business Development, John Emerson, Bruce Lindsey and Erskine Bowles have made it clear that their mutual choice for this position is Ms. Mary Leslie.

It should be noted that there is another qualified candidate for this position, Mr. John Huang a banker from California who has handled small business and has international expertise. John Huang was also very involved in the early days of the campaign with fundraising, Asian American registration, and GOTV.

III. RECOMMENDATION

We recommend that you approve the following individual for appointment as Associate Deputy Administrator for Business Development:

EXHIBIT
BL-6

EOP 002153

Mary Leslie :

PERSONAL
INFORMATION
REDACTED

EOP 002154

Chron.

Nora Lum

				TOA
2/5/93	Sato	156	4:40pm	NS
2/19/93	Strickland	143	7:00pm	NS
2/25/93	Matsui (Nishikawa)	122	1:30pm	1:28pm
			Asian Pacific Am Meeting	
3/8/93	Lindsey (Coyle)	WW	10:00am	10:03am
3/23/93	Haley	141	1:00pm	1:00pm
3/29/93	Yee	141	3:00pm	2:54pm
4/8/93	Martin	143	7:59pm	7:59pm
4/9/93	Martin	143	11:45am	NS
4/12/93	Yee	141	5:00pm	4:37pm
4/20/93	Yee	141	12:00 NOON	NS
4/22/93	Martin	143	6:15pm	6:09pm
4/24/93	Yee	141	2:30pm	NS
5/3/93	Potus (Dickey)	Res.	5:30pm	4:32pm
5/4/93	Yee	141	12:00 NOON	11:56am
5/4/93	Yee	141	3:00pm	2:33pm
5/14/93	Yee	141	10:15am	10:07am
6/15/93	Martin DAVID	143	2pm	2:29pm
5/9/94	Dunn (FRD) Singiser	156	11:40am	11:36am
5/20/94	? Bob K			NS
5/20/94	Vi (Nishikawa)	272	Meet & Greet w/ Asian Pacific Leaders 9:30am	10:03am
5/20/94	Matsui (Wexler)	450	Asian Pacific Heritage Mon. Briefing 2:00pm	2:23pm
7/16/94	Matsui	180	Briefing Afghanistan CEOs 3:00pm	NS
4/27/95	Ceron	128	Meet to USS Gift Shop 11:50am	11:50am
7/27/95	Potus (Spangler)	Res.	7:30pm	6:41pm
7/18/95	Dudley	WW	Foot to USS Gift Shop 12:45pm	12:55pm
7/19/95	Robinson	EW	9:30am	NS

EXHIBIT
BL-7

EOP 056043

Stephens Inc.

May 19, 1993

James Riady
Deputy Chairman
Lippo Group
Jalan Gatot Subroto Kav 35-36
Jakarta 12900, Indonesia

Dear James:

While you were in Little Rock, I believe you discussed the subject of the attached correspondence with Mr. Stephens. JoAnn was not sure that she passed these letters along to you at that time so I'm attaching them to make sure that you have them and will follow through.

We have heard nothing from the White House yet on the Indonesian appointment, although we are keeping up the pressure. I believe that a decision should be made in the next three or four weeks so it may be time to get John Huang involved again. Any help will be appreciated.

Please pass along my best regards to your family. I hope that your father's birthday was a very successful event.

With best regards,

Vernon Weaver
Assistant to the Chairman

VW:pg

EXHIBIT
BL-8

Investment Bankers
1455 Pennsylvania Avenue NW • Suite 600 • Washington, D.C. 20004 • 202-628-6668 • Fax 202-628-6669

Stephens Inc.

Jackson T. Stephens
Chairman of the Board

April 14, 1993

Mr. Harold A. Poling
Chairman of the Board
Ford Motor Company
P. O. Box 1899
Dearborn, Michigan 48121-1899

Dear Red:

Thank you very much for your letter about the business in China. I will pass this along to my friends and I am sure they will be in touch with Mr. Booker.

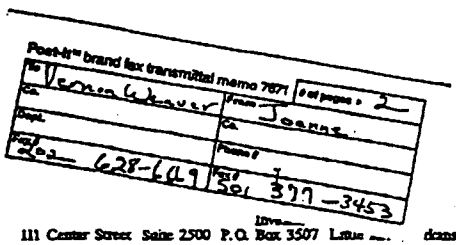
We were very lucky to get through this Masters because we had 35 percent more rain this year than last year. The course was so soggy that the shower we had on Friday, while not torrential, put the course out of business for a while. Our grounds crew is so good that they had a fine golf course back by early Saturday.

Thanks again for the information and I hope to see you soon at Augusta.

Sincerely,

Jack Stephens

JS/js



111 Center Street Suite 2500 P.O. Box 3507 Little Rock, Arkansas 72203 501-377-2402

file

Secretary of State
1230 J Street
Sacramento, California 95814

September 23, 1993

John Huang, Vice Chairman
Lippo Bank
711 W. College Street
Los Angeles, California 90012

Dear John:

As you may have read in the newspaper, White House sources have confirmed that I will be nominated as the United States Ambassador to Micronesia following routine clearances. I apologize that you may not have heard it from me first!

I want you to know how much I appreciate your support in this lengthy appointment process. I am truly honored to have had the benefit of your endorsement. It means more to me than you will ever know.

Having the opportunity to play a key role in the development of United States foreign policy in the Asian/Pacific region is one that I relish. Thank you for helping to make it happen.

As always, please don't hesitate to let me know if I can ever be of assistance. In the meantime, I send my warm regards.

Sincerely,

March

MARCH FONG EU



NOT PRINTED AT PUBLIC EXPENSE

MEMORANDUM FOR BRUCE R. LINDSEY

FROM: GARY CHRISTOPHERSON
Associate Director
Presidential Personnel

DATE: October 18, 1993

RE: JOHN HUANG
DEPUTY ASSISTANT SECRETARY
FOR EAST ASIA AND THE PACIFIC
INTERNATIONAL TRADE ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE
SES POSITION

I. BACKGROUND

The Deputy Assistant Secretary for East Asia and the Pacific is the principal advisor to the Assistant Secretary for International Economic Policy on all matters concerning international economic, trade, investment, and commercial policy agreements and programs with respect to East Asia and the Pacific and is responsible for supervising the senior commercial officer in each Foreign Commercial Service (FCS) post within the geographic area and for serving as the contact point within the International Trade Administration (ITA) for FCS oversees post activities and all communications relating to these activities. This is a SES position reporting to the Assistant Secretary for International Economic Policy (Chuck Meissner, if confirmed).

II. DISCUSSION

Since 1990, John Huang has been the Director of Lippo Group USA and Vice Chairman of Lippo Bank in Los Angeles, California. Lippo Group is one of the largest Asian-based, privately owned conglomerates. Huang oversees the Group's overall interest in the United States.

From 1972 to 1990, Huang served in senior managerial positions for a number of banks including Bank Central Asia Limited (New York), Bank of Trade (California), Hong Kong Chinese Bank (Hong Kong), Worthen Bank (Arkansas), Stephens Finance Limited (Hong Kong), Union Planters National Bank (Memphis), First National Bank of Louisville (Kentucky), and American Security Bank (Washington, DC). Most of his experience involved managing the East Asian operations of these banks.

For the past twenty years, John Huang has been a major Democratic supporter and expert in banking policy. He was extremely active in the Clinton/Gore campaign and met with Governor Clinton several times at small meetings and other events. He endorsed Governor Clinton at one of the business roundtables in Chicago.

EXHIBIT
Bl.-10

Huang, an Asian American who speaks five dialects of Chinese, received his BBA from Tatung Institute of Technology, Taipei, Taiwan in 1967 and his MBA from the University of Connecticut at Storrs in 1971. He serves as the Director of the Chinatown Service Center in Los Angeles and is a member of the Asian Pacific American Advisory Council and the Democratic National Committee.

Huang is recommended by Senator Paul Simon (D-IL), Senator Kent Conrad (D-ND), and Maria Haley.

Other candidates considered:

T.S. Chung, California
Philip Yun, Washington
Shan Thever, California

III. RECOMMENDATION

We recommend that you approve John Huang as the Deputy Assistant Secretary for East Asia and the Pacific, International Economic Policy, International Trade Administration.

John Huang, Democrat, State of California

Approve_____ Disapprove_____ Discuss Further_____

December 4, 1993

Bruce,

The appointment of John Huang to this Commerce position is one we discussed in your office and agreed to proceed with in early December. As you know well, John Huang is a strong supporter of the President and is supported by the Asian community. Both Presidential Personnel and the Department strongly recommend his appointment.

Gary ( )

PERSONAL
INFORMATION
REDACTED



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR BRUCE R. LINDSEY

FROM: Gary Christopherson, Associate Director, Presidential Personnel
Eileen Parisi, White House Liaison, Department of Commerce

DATE: December 6, 1993

RE: JOHN HUANG (As) FOR DEPUTY ASSISTANT SECRETARY FOR EAST ASIA AND THE PACIFIC INTERNATIONAL TRADE ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE, SES

I. BACKGROUND

The Deputy Assistant Secretary for East Asia and the Pacific is the principal advisor to the Assistant Secretary for International Economic Policy on all matters concerning international economic, trade, investment, and commercial policy agreements and programs with respect to East Asia and the Pacific and is responsible for supervising the senior commercial officer in each Foreign Commercial Service (FCS) post within the geographic area and for serving as the contact point within the International Trade Administration (ITA) for FCS oversees post activities and all communications relating to these activities. This is a SES position reporting to the Assistant Secretary for International Economic Policy (Chuck Meissner, if confirmed).

II. DISCUSSION

Since 1990, John Huang has been the Director of Lippo Group USA and Vice Chairman of Lippo Bank in Los Angeles, California. Lippo Group is one of the largest Asian-based, privately owned conglomerates. Huang oversees the Group's overall interest in the United States.

From 1972 to 1990, Huang served in senior managerial positions for a number of banks including Bank Central Asia Limited (New York), Bank of Trade (California), Hong Kong Chinese Bank (Hong Kong), Worthen Bank (Arkansas), Stephens Finance Limited (Hong Kong), Union Planters National Bank (Memphis), First National Bank of Louisville (Kentucky), and American Security Bank (Washington, DC). Most of his experience involved managing the East Asian operations of these banks.

For the past twenty years, John Huang has been a major Democratic supporter and expert in banking policy. He was extremely active in the Clinton/Gore campaign and met with Governor Clinton several times at small meetings and other events. He endorsed Governor Clinton at one of the business roundtables in Chicago.



Huang, an Asian American who speaks five dialects of Chinese, received his BBA from Tatung Institute of Technology, Taipei, Taiwan in 1967 and his MBA from the University of Connecticut at Storrs in 1971. He serves as the Director of the Chinatown Service Center in Los Angeles and is a member of the Asian Pacific American Advisory Council and the Democratic National Committee.

Huang is recommended by Senator Paul Simon (D-IL), Senator Kent Conrad (D-ND), and Maria Haley.

III. RECOMMENDATION

Presidential Personnel and the Department of Commerce strongly recommend that you approve John Huang as the Deputy Assistant Secretary for East Asia and the Pacific, International Economic Policy, International Trade Administration.

John Huang, Asian-American, Democrat, State of California

Approve: _____ **Disapprove:** _____

Other candidates considered: (Note: all have been appointed to other positions)

T.S. Chung, California
Philip Yun, Washington
Shan Thever, California

Attachment (Resume)

cc Phil Lader
Jan Piercy, Deputy Director
John Emerson, Deputy Director

Privileged and Confidential
May 25, 1994

okil
by cc
5/25/94

MEMORANDUM

TO: BETH NOLAN

FROM: MAUREEN C. LINDSEY

RE: RESULTS OF FOLLOW UP INTERVIEW WITH JOHN HUANG, CANDIDATE FOR DEPUTY ASSISTANT SECRETARY, EAST ASIA AND PACIFIC, INTERNATIONAL TRADE ADMINISTRATION, COMMERCE

Mr. Huang was born in China and became a U.S. citizen in 1976. He was originally interviewed in January 1994. I called him again on May 25, 1994 to ask him about a notation on his FBI report that seemed to indicated he was arrested and subjected to deportation proceedings in Baltimore on August 17, 1972.

Mr. Huang was not aware that the Baltimore INS ever initiated deportation proceedings against him. He was never served with any papers, and he certainly was never arrested. He has a convincing explanation of a paperwork snafu.

Mr. Huang came to the U.S. in 1969 to get an MBA. He finished his course work some time in 1970. In January 1971, he obtained a "practical training" visa, which allows him to stay in the U.S. while he gets some job experience in his field. He found a sponsor to get him a job in Hartford, Connecticut. The "practical training" visa expires every six months, but Mr. Wang kept reapplying until June 30, 1972. At this time, Mr. Huang was legally required to leave the U.S. He could apply for another visa, but he could not stay in the United States pending the application.

Mr. Huang planned to marry a U.S. citizen on August 6, 1992. So he went to the INS in Hartford before his practical training visa expired to see if he could get them to change his status so he would not have to leave the country and miss his wedding. The INS told him not to leave the country. He received an official paper from them that said he could stay in the country.

In September 1972, Mr. Huang got a job at the American Security Bank in Washington, D.C. He said he would not have been able to get this job if his status was not straight.

EOP 010380

EXHIBIT
BL-13

A possible source of the confusion: Mr. Huang was working in Hartford, Connecticut, and he thinks this is the office that he visited when his visa was about to expire. He was married in Maryland, however, and it is the Baltimore INS office that records the arrest. This may be failed communication between two offices.

TAXES: The IRS report says that Mr. Huang filed his 1992 tax return on October 14, 1993. His extension only ran until August 15, 1993. Mr. Huang told me that he thought it was a six month extension, and he made a mistake. (He gave a similar explanation on his PDS).

To Webb
Date 4-13-93 Time 12:00 AM PM

WHILE YOU WERE OUT

M Howard Rosenblatt
of Arnold + Porter
Phone (202) 728-6388
Area Code Number Extension

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message He represents Brett Kimberlin. Cody Shearer suggested he called.

Operator

AMPAD EFFICIENCY®

To Webb
Date 4-13-93 Time 12:05 AM PM

WHILE YOU WERE OUT

M James Riady
of
Phone ( ) 456-2674
Area Code Number Extension

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message Mr Riady is at the OEOB. Please call.

Operator

AMPAD EFFICIENCY®

To WH
Date 4/13 Time 2:35

WHILE YOU WERE OUT

M Birnera Vasshun
of
Phone 456-2632
Area Code Number Extension

TELEPHONED		PLEASE CALL	X
CALLED TO SEE YOU		WILL CALL AGAIN	X
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message

Operator

AMPAD EFFICIENCY® 23-021 - 200 SETS 23-031 - 400 SETS CARBONLESS

To Judge H.
Date 4/13 Time 2:35

WHILE YOU WERE OUT

M Floyd Clark
of Yahi
Phone 324-3315
Area Code Number Extension

TELEPHONED		PLEASE CALL	X
CALLED TO SEE YOU		WILL CALL AGAIN	X
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message

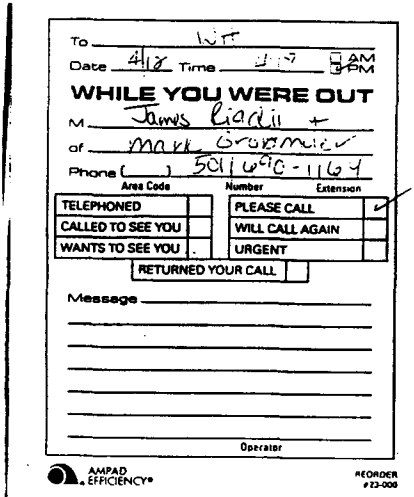
EXHIBIT
BC-14

Operator

AMPAD EFFICIENCY®

11739

GRO 001436



To WH
Date 4/12 Time 4:17 AM PM

WHILE YOU WERE OUT

M James Riadii +
of Mark Grobmeier
Phone ( ) 501 690-1164
Area Code Number Extension

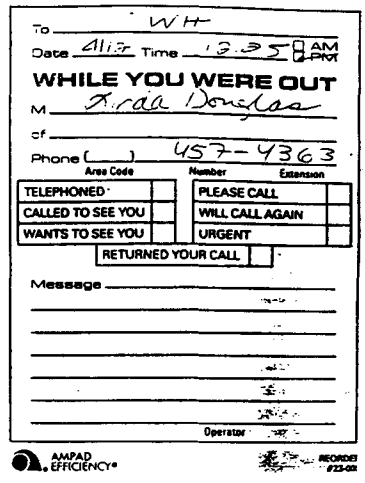
TELEPHONED		PLEASE CALL	✓
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message

Operator

AMPAD EFFICIENCY® REORDER #23-000



To WH
Date 4/12 Time 12:35 AM PM

WHILE YOU WERE OUT

M Linda Douglas
of
Phone ( ) 457-4363
Area Code Number Extension

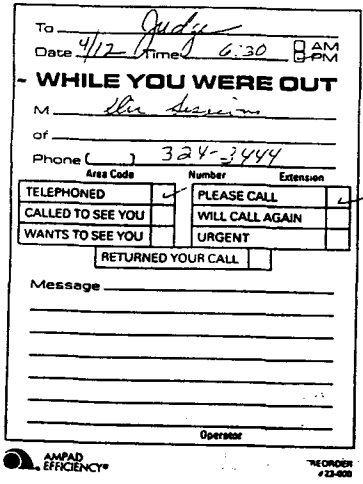
TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message

Operator

AMPAD EFFICIENCY® REORDER #23-000



To Judge
Date 4/12 Time 6:30 AM PM

WHILE YOU WERE OUT

M Ellen Sessions
of
Phone ( ) 324-3444
Area Code Number Extension

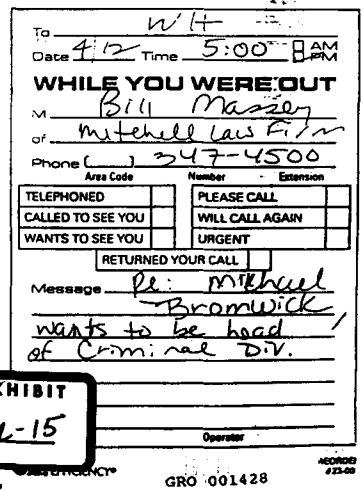
TELEPHONED	✓	PLEASE CALL	✓
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message

Operator

AMPAD EFFICIENCY® REORDER #23-000



To WH
Date 4/12 Time 5:00 AM PM

WHILE YOU WERE OUT

M Bill Massey
of Mitchell Law Firm
Phone ( ) 347-4500
Area Code Number Extension

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message Re: Michael Bromwick wants to be head of Criminal Div.

Operator

AMPAD EFFICIENCY® REORDER #23-000

EXHIBIT
BL-15

GRO 001428

MEMORANDUM

DATE: September 21, 1994

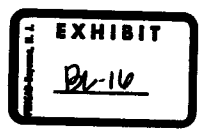
TO: John Huang

FROM: Joe Hanna

RE: Arkansas Delegation List

Please find below the list of names prepared by JTR and Joe Giroir representing the Arkansas delegation to APEC.

1. Senator David Pryor (Barbara)
2. Gov. Jim Guy Tucker (Betty)
3. Joseph Giroir (Janinne)
4. Mark Grobmyer (Libby)
5. Douglas Buford (Julie)
6. Harry Ward (Betty Joe)
7. Paul Willmuth (alone)
8. Steve Humphries (alone)
9. James Atkins (Kahleen)
10. James Blair (Dianne)
11. Curt Bradbury (Chucky)
12. Gary Smith (in case Curt does not go)
13. ~~Warren Stephens (Hamet)~~ (REGRETTED)
14. Beverly ~~Lindsey (alone)~~
15. ~~Webster Hubbel (Suzanna)~~
16. Del Boyette (alone)
17. Charles Sloan (alone)
18. ~~Sandy Ledbetter (alone)~~
19. ~~Mark Allen (alone)~~
20. Charles Charlau
21. Truman Arnold
22. Phil Harrington
23. Paul Berry
24. Brian Hunt
25. Ken Oberg
26. John Steuri (Grace)
27. Terry Ogletree



COMMITTEE ACCESS

EOP 020112

M E M O R A N D U M

DATE: September 21, 1994

TO: John Huang

FROM: Joe Hanna

RE: Arkansas Delegation List

Please find below the list of names prepared by JTR and Joe Giroir representing the Arkansas delegation to APEC.

1. Senator David Pryor (Barbara)
2. Gov. Jim Guy Tucker (Betty)
3. Joseph Giroir (Janinne)
4. Mark Grobmyer (Libby)
5. Douglas Buford (Julie)
6. Harry Ward (Betty Joe)
7. Paul Willmuth (alone)
8. Steve Humphries (alone)
9. James Atkins (Kahleen)
10. James Blair (Dianne)
11. Curt Bradbury (Chucky)
12. Gary Smith (in case Curt does not go)
13. Warren Stephens (Harriet) (REGRETTED)
14. Beverly Lindsey (alone)
15. Webster Hubbel (Suzanna)
16. Del Boyette (alone)
17. Charles Sloan (alone)
18. Sandy Ledbetter (alone)
19. Mark Allen (alone)
20. Charles Charlau
21. Truman Arnold
22. Phil Harrington
23. Paul Berry
24. Brian Hunt
25. Ken Oberg
26. John Steuri (Grace)
27. Terry Ogletree

COMMITTEE ACCESS

To: Leon Panetta
From: Mack McLarty

To: Mack McLarty
John Podesta

From: Bruce Lindsey

Re: Arkansas Delegation to APEC

I spoke with John Tisdale and Doug Buford yesterday about the Arkansas "delegation" to the APEC Conference in Indonesia. The list has been whittled down to the following:

Alan and Jean Sugg
✓ Wayne and Francis Cranford
Mark and Libby Grobmyer
Alice Walton
A representative of Systematics
A representative of Entergy
Paul Berry (maybe)

All, except Paul Berry, appear to have some legitimate reason for being there. Mark Grobmyer is chairman of the International Business Committee of the Little Rock Chamber of Commerce, the University of Arkansas is signing some sort of exchange program with an university in Indonesia, etc. Doug, who negotiated the revised list with James Riady, asked about his "status." He clearly would like to go, but will do whatever we want. He believes his presence will help to "control" the group. As you know, Doug is President-elect of the Little Rock Chamber of Commerce which might justify his inclusion.

The delegation does not expect to do anything with President Clinton, but would like to be invited to the American reception hosted by the Department of Commerce and to Clinton's speech to the conference, if the speech is open to outside guest.

James Riady and his father would like to have the opportunity to visit briefly with President Clinton in the hotel during the visit. James has been reasonable in culling the list, and I think we should try to schedule a 15 minute meeting for them.

EXHIBIT
BL-17

EOP 030679

TO: Bruce Lindsey

FROM: Maria Haley

DATE: September 7, 1993

RE: APEC MEETING

I wanted to share with you some of my thoughts regarding the upcoming APEC Conference in Seattle this November.

This will be the President's first big international conference in the States. I know that all of us are committed to making the conference a success. With the possibilities of encouraging and developing Asian trade, it is in our best interest to do the best promotion job possible.

Therefore, I would like to make a few suggestions on preparation and participation at the conference. We have many very capable Asian Pacific American appointees in the White House and throughout the other federal agencies. I would like to encourage you to utilize these people for the APEC Conference.

A good presence of Asian Pacific Americans both from the Administration in cooperation with the local Asian Pacific American community can only enhance our credibility with the Asian countries. One of the criticisms I received after the G-7 summit was the lack of participation of Asian Pacific Americans. I know that we can do better for the APEC Conference.

There is much work to be done with advance and press for a conference of this size. There are many staff people who could be very valuable to us in these capacities. I would be happy to discuss this further with you or to send you a list of people I would recommend who could assist in various aspects of the conference.

One of the people who is already starting to work on preparations for the APEC Conference is Vida Benavides, Director of Asian Pacific American Constituencies at the DNC. Please feel free to contact her at 863-7129.

EOP 048918



AMBASSADOR MARCH FONG EU
EMBASSY OF THE UNITED STATES OF AMERICA
KOLONIA, POHNPEI
FEDERATED STATES OF MICRONESIA 96941

DEAR JAMES: SEPTEMBER 30, 1994

THANK YOU FOR YOUR FAX OF SEPTEMBER 27. HENRY AND I LOOK FORWARD TO SEEING YOU IN JAKARTA.

REGARDS HOTEL RESERVATIONS IN JAKARTA, ALDRIN INFORMS ME THAT HE WAS ABLE TO MAKE RESERVE ROOMS FOR ME AT THE CENTURY PARK HOTEL FOR NOV. 12 THROUGH THE 16TH. HE IS TRYING TO MAKE OTHER BOOKINGS AND HE SAID THAT HOTEL ROOMS ARE HARD TO COME BY. I DO NOT QUITE UNDERSTAND IF HE IS TRYING TO SAY THAT HE WILL TRY TO CHANGE MY RESERVATIONS IF HE FINDS A MORE DESIRABLE HOTEL. HOWEVER, SUFFICE IT TO SAY, HE DOES HAVE ROOMS FOR US. HE ALSO SAID THAT HE WOULD ARRANGE TO PICK ME UP AT THE AIRPORT.

ALDRIN ASKED IF YOU WERE ABLE TO GET AN INVITATION FOR ME FROM THE GOVERNOR OF JAKARTA? HE SEEMED TO THINK THAT YOU ALLREADY TOOK CARE OF THAT. SO, IN ANSWER TO THE QUESTION IN YOUR FAX....YES, PLEASE ARRANGE FOR AN OFFICIAL INDONESIAN GOVERNMENT INVITATION TO BE SENT TO ME. THE TITLE AND ADDRESS SHOULD BE AS AT THE TOP OF THIS LETTERHEAD. IN THE MEANTIME, I AM ASKING BRUCE LINDSEY AND ANOTHER COUPLE OF MY WHITE HOUSE CONTACTS TO GET WORD TO THE WHITE STAFFERS WORKING ON THE CONFERENCE THAT I WILL BE THERE AND TO SEE IF MY NAME CAN ADDED TO THE OFFICIAL AMERICAN DELEGATION LIST.

WITH RESPECT TO THE CALIFORNIA WINE RECEPTION. AFTER TALKING TO THE U.S. EMBASSY JAKARTA, I HAVE DECIDED TO ABANDON THE IDEA. THERE IS JUST TOO MUCH GOING ON, TO MAKE IT WORK. I WILL SAVE IT FOR ANOTHER TIME.

YOUR SUGGESTION FOR HENRY AND I TO SPEND A FEW DAYS IN BALI WAS ROUNDLY APPLAUDED BY HENRY WHO LOVES BALI! SO, WE ARE TENATIVELY WORKING ON A SCHEDULE THAT WILL BRING US TO BALI NOV. 8 AND LEAVE FOR JAKARTA NOV. 12. I WILL LET YOUR MS. NORITA ALEX KNOW AS SOON AS THIS IS FIRMED UP.

I WILL BE IN LOS ANGELES FOR A COUPLE OF WEEKS STARTING OCT. 3. MY OFFICE HERE IN POHNPEI WILL ALSO BE WORKING ON MY JAKARTA TRIP. YOUR STAFF MAY BE HEARING FROM MY SECRETARY, SUE HIGHLOW OR MY DEPUTY CHIEF OF MISSION, STUART BROWN AS THE SCHEDULE MOVES ALONG AND QUESTIONS ARISE.

WE LOOK FORWARD TO SEEING YOU.

TELEPHONE NO.: (691) 320-2187 FAX NO.: (691) 320-2186

HHH 1397

EXHIBIT
M-19

Citation
3/2/94 WASHPOST A01
3/2/94 Wash. Post A01
1994 WL 2274035

Search Result Rank 10 of 22 Databa
WP

The Washington Post
Copyright 1994

Wednesday, March 2, 1994

A SECTION

Law Firm Probing Hubbell; Billing Irregularities Alleged; Clinton Aide Denies Wrongdoing

Susan Schmidt
Washington Post Staff Writer

The Rose Law Firm in Little Rock, Ark., has been investigating the billing practices ofAssociate Attorney General Webster L. Hubbell during the time he was a partner in the Rose firm. The investigation, which is being conducted by senior partners of the firm, focuses on whether Hubbell overbilled clients and used law firm money to pay for personal expenses, according to sources close to the firm.

The internal investigation began in the summer of 1992, and the firm is considering notifying the Resolution Trust Corp. and several other major clients of billing irregularities, according to a source familiar with the matter. The firm also has been weighing whether to inform the state bar association.

The RTC, the federal agency overseeing the savings and loan industry, was among the major clients Hubbell handled for Rose, one of Arkansas' oldest and most prestigious law firms. In addition to Hubbell, its former partners include First Lady Hillary Rodham Clinton and the late Vincent Foster, who served as deputy White House counsel before his suicide last July.

The pace of the Rose firm's inquiry has sped up in recent weeks as the law firm was subpoenaed in a criminal investigation by special counsel Robert B. Fiske Jr., who is investigating President Clinton's Whitewater land venture and the failed Madison Guaranty Savings & Loan, a former Rose firm client.

Asked whether Hubbell had overbilled clients or used the firm's money to pay for personal expenses, Hubbell's attorney, John Nields, said, "No, that did not happen." He said he had no knowledge that Rose lawyers are considering reporting Hubbell's activities to the Arkansas Bar Association. "I certainly doubt it, but only the firm can answer that question," Nields said.

Copr. © West 1997 No Claim to Orig. U.S. Govt. W

EXHIBIT
BL-20

Numerous senior lawyers at the firm contacted in recent days about the Hubbell investigation said they could not comment on it and referred all questions to managing partner Ronald M. Clark.

Clark declined repeated requests for interviews this week. When first asked about the investigation in an interview about three weeks ago, he said he would have no comment on any internal inquiry of Hubbell, but said "anything and everything" related to the special counsel's investigation is being examined internally.

Walter B. Stuart, who is acting as a spokesman for the Rose firm, said Monday that "I'm certainly not confirming or denying anything." He said the firm would not respond to inquiries concerning clients or internal matters. Stuart, a lawyer with the Houston firm of Vinson & Elkins, is representing the Rose firm in connection with the special counsel's ongoing investigation.

One source familiar with the inquiry said that Rose lawyers are investigating whether Hubbell wrote checks on an account used for client expenses to pay for his personal trips, credit card bills and other items. The firm has examined records going back to 1988, according to the source.

In some instances, Rose lawyers also are investigating whether Hubbell credited to himself hours of legal work performed by salaried associates, according to sources.

In one case involving a company owned by Hubbell's in-laws, Rose lawyers believe the firm lost about $500,000 because of a billing arrangement Hubbell made with his relatives. In that instance, Hubbell took on a contingency basis a complex patent infringement case on behalf of his in-laws. Rose lost the case, and belatedly discovered that Hubbell had agreed that the law firm would pay for expert witnesses on his in-law's behalf.

A lawsuit filed against the Rose firm in federal court in Washington in May 1993 shows that a consultant had a written agreement with Hubbell providing that the Rose firm would pay his fees, amounting to $156,000. The Rose firm balked but was legally obligated to pay the bill, court records show.

Hubbell, a close friend and frequent golfing companion of the president, has taken control of a wide array of issues at Justice, including civil rights and other non-criminal matters. Some department officials have described him as the department's chief operating officer.

Hubbell generally is regarded as the department's chief point of contact with the White House, and was effectively running Justice as

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

3/2/94 WASHPOST A01

White House "liaison" in the months before Janet Reno's confirmation as attorney general last spring. He was confirmed to the No. 3 job there in May.

The Rose firm has been racked with turmoil in recent months, with many of the 60 attorneys there upset at being dragged into special counsel Fiske's investigation of Madison and Whitewater.

The subpoena recently served on the Rose firm in relation to Fiske's investigation sought materials on a wide array of individuals and entities, including Hubbell's father-in-law, Seth Ward, a former Madison employee and borrower. The subpoena also sought materials on P.O.M. Inc., a parking meter firm owned by the Ward family and represented by Hubbell. P.O.M. was the firm involved in the patent infringement case handled by Rose.

Hillary Clinton represented Madison before state regulators in the mid-1980s, a matter that figures into the special counsel's investigation. She and President Clinton were joint owners of Whitewater with Madison owner James B. McDougal and his former wife Susan.

Four of the Rose firm's top partners came to Washington with Clinton's election and because prominent figures in the administration. In addition to Hillary Clinton, Hubbell and Foster, former Rose managing partner William Kennedy is in the White House counsel's office.

Fiske's wide-ranging probe also is examining Foster's suicide. On the morning of his death, U.S. Park Police records show that Foster received a phone message from C. Brantley Buck, the Rose firm's chief financial officer. Foster tried to return the call later that morning but did not get through. It is not known what Buck was calling about. Buck declined to be interviewed this week.

With the departure of four of its most senior partners, a new generation of lawyers has taken control of the Rose firm, most of them in their thirties and early forties. Sources close to the firm say many of them are furious that their livelihoods and their firm's once-sterling reputation are being damaged by actions of the firm's old guard.

Any grievances made to the bar association remain confidential unless it decides to take disciplinary action against a lawyer.

Rose partners have been advised by the state's leading expert in professional ethics, University of Arkansas Prof. Harold Brill, that they have a duty to report any findings about Hubbell to the state bar association, according to a source close to the firm. Brill

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

3/2/94 WASHPOST A01

declined to comment yesterday.

A source close to the firm said senior lawyers there have been agonizing over how to resolve the Hubbell investigation. But they have tried to find ways to handle the probe that cause the least amount of embarrassment to the Clinton administration and to Hubbell.

TABULAR OR GRAPHIC MATERIAL SET FORTH IN THIS DOCUMENT IS NOT DISPLAYABLE

PHOTO,,Gerald Martineau
Caption: Webster Hubbell's clients at Rose Law Firm, one of the oldest and most prestigious in Arkansas, included the federal Resolution Trust Corp.

---- INDEX REFERENCES ----

NAMED PERSON: WEBSTER L. HUBBELL; HILLARY RODHAM CLINTON; VINCENT FOSTER; ROBERT B. FISKE JR.; BILL CLINTON

ORGANIZATION: MADISON GUARANTY SAVINGS & LOAN; ROSE LAW FIRM; RESOLUTION TRUST CORP.

KEY WORDS: SUBJECTS: LEGAL SERVICES; LAWYERS; APPOINTED GOVERNMENT OFFICIALS; ETHICS AND MORALITY; U.S. PRESIDENT; SAVINGS AND INVESTMENTS

NEWS SUBJECT: LAW & LEGAL ISSUES (LAW)

NEWS CATEGORY: NEWS FOREIGN

MARKET SECTOR: FINANCIAL (FIN)

INDUSTRY: DIVERSIFIED FINANCIAL SERVICES (FIS)

GOVERNMENT: EXECUTIVE (EXE)

EDITION: FINAL

Word Count: 1123
3/2/94 WASHPOST A01
END OF DOCUMENT

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

John Huang's Visits to White House

DATE	APPT. TIME Actual Enter/Exit	VISITEE	REQUESTOR	LOCATION
3/15/93	8:00 am 8:50/10:11	Potus	Spangler	Residence
3/24/93	10:30 am 10:31/no TOD	Wee	Wee	OEOB 141
4/12/93	2:22 pm 2:22/no TOD	Neel	Spinning	OEOB 274
4/13/93	1:50 pm 11:38/1:35	Yee	Yee	OEOB 141
4/13/93	1:55 pm	Yee	Yee	OEOB 141 [No TOA or POA]
4/13/93	2:30 pm 2:02/no TOD	Dickey	Dickey	East Wing
4/16/93	2:30 pm 2:19/3:57	Dickey	Derricotte	East Wing
4/19/93	10:45 am 10:44/no TOD	Rubin	McLaughlin	West Wing
5/3/93	5:30 pm 4:32 TOA	Potus	Dickey	Residence
5/21/93	4:00 pm 2:35 TOA	Potus	Spangler	Residence
6/7/93	3:00 pm 3:22 TOA	Middleton	Johnson	West Wing
6/7/93	3:00 pm	Dickey	Derricotte	East Wing [No TOA or POA]
6/11/93	1:30 pm 2:06 TOA	Johnson	Johnson	West Wing
6/21/93	10:30 am	Middleton	Johnson	West Wing [No TOA or POA]
	9:45 am			

EXHIBIT
BL-21

6/23/93	9:39 TOA	Dickey	Dupyea	East Wing
6/24/93	3:30 pm	Holt	Holt	East Wing [No TOA or POA]
6/28/93	11:30 am 11:07 TOA	Johnson	Johnson	West Wing
6/28/93	3:00 pm 3:20 TOA	Dickey	Dickey	East Wing
7/20/93	11:30 am 11:19/no TOD	Middleton	Johnson	West Wing
7/20/93	1:15 pm 1:58/4:49	Dickey	Derricotte	East Wing
8/2/93	1:30 pm 12:37 TOA	Potus	Fine	Residence
9/24/93	11:00 am	Dickey	Derricotte	East Wing [Note: There is no TOA/POA.]
9/24/93	11:00 am	Quinn	Hopkins	OEOB 276 [Note: There is no TOA/POA.]
10/2/93	3:30 pm 3:22 TOA	Ickes	Sutton	West Wing
10/14/93	12:00 pm 6:06 TOA	Potus	Griffin	South Grounds
11/3/93	5:30 pm 5:09 TOA	Potus	Dickey	Blueroom
1/5/94	6:30 pm 6:07 TOA	Potus	Spangler	East Wing
1/6/94	3:00 pm 3:44 TOA	VP	McAfee	OEOB 474
1/21/94	3:30 pm 3:42 TOA	Riley	Riley	OEOB 94
3/16/94	1:00 pm	Dickey	Raines	East Wing

	1:00 TOA			
3/16/94	2:30 pm	Matsui	Nishikawa	OEOB 122 [Note: There is no TOA/POA.]
3/16/94	3:00 pm 2:59 TOA	Middleton	Ewing	West Wing
3/16/94	3:30 pm	Matsui	Nishikawa	OEOB 122 [Note: There is no TOA/POA.]
4/20/94	3:00 pm 2:57 TOA	Matsui	Nishikawa	OEOB 122
4/22/94	9:00 am	Middleton	Ewing	West Wing [Note: There is no TOA/POA.]
5/4/94	4:30 pm 4:24 TOA	Middleton	Ewing	West Wing
5/10/94	2:30 pm 2:30 TOA	Dickey	Dickey	East Wing
5/10/94	4:45 pm 4:50 TOA	Matsui	Nishikawa	OEOB 122
5/20/94	9:30 am 10:03 TOA	VP	Nishikawa	OEOB 272
5/20/94	9:30 am 9:26 TOA	Middleton	Ewing	West Wing
5/20/94	2:00 pm 2:24 TOA	Matsui	Wexler	OEOB 450
5/25/94	3:00 pm 3:06 TOA	Nishikawa [Matsui]	Nishikawa	OEOB 122
6/13/94	8:30 am	Potus	Dickey	S. Grounds [Note: There is no TOA/POA.]
6/21/94	4:30 pm 4:45 TOA	Middleton	Ewing	West Wing

6/21/94	8:15 pm 6:50 TOA	Potus	Spangler	S. Lawn
6/22/94	3:15 pm 2:57 TOA	Middleton	Ewing	West Wing
6/23/94	10:00 am 10:27 TOA	Herman	Wexler	West Wing
6/23/94	10:30 am	Weaver [Pres. Personnel]	Weaver	OEOB 131 [Note: There is no TOA/POA.]
6/24/94	12:00 pm 12:05 TOA	Middleton	Ewing	West Wing
6/24/94	1:00 pm	Rubin [Leg. Affairs?]	McLaughlin	West Wing [No TOA or POA]
6/25/94	9:15 am	Weaver [Pres. Personnel]	Weaver	OEOB 131 [Note: There is no TOA/POA.]
7/21/94	6:00 pm 6:17 TOA	Potus	Carter	OEOB 450
8/2/94	7:20 am 7:35 TOA	Lewis	Lewis	OEOB 474
9/10/94	9:15 am	Middleton	Middleton	West Wing [Note: There is no TOA/POA.]
9/22/94	10:00 am	Potus	Duryea	S. Lawn [Note: There is no TOA/POA.]
9/26/94	5:30 pm 5:42 TOA	Kristoff [NSC]	Wilson	OEOB 230
9/27/94	11:00 am 11:02 TOA	Weaver [Pres. Personnel]	Weaver	OEOB 131
10/5/94	8:00 am 8:16 TOA	Middleton	Middleton	West Wing
10/14/94	10:00 am 10:04 TOA	Burget [OMB]	Burget	NEOB [Note: This may be the other John

				Huang.]
10/14/94	2:00 pm	Kristoff [NSC]	Wilson	OEOB 230 [Note: There is no TOA/POA.]
10/21/94	2:30 pm	Cutter	Smith	OEOB 230 [Note: There is no TOA/POA.]
10/28/94	5:00 pm	Kristoff [NSC]	Wilson	OEOB 230 [Note: There is no TOA/POA.]
12/21/94	12:00 pm 11:50 TOA	Middleton	Middleton	West Wing
2/6/95	2:15 pm 2:14 TOA	Eder [Matsui]	Eder	OEOB 476
2/14/95	12:00 pm 11:59 TOA	Middleton	Middleton	West Wing
2/16/95	2:30 pm 2:47 TOA	Eder [Matsui]	Shulman	OEOB 474
3/30/95	4:00 pm 3:52 TOA	Matsui	Shulman	OEOB 476
4/2/95	2:05 pm 2:11 TOA	Weaver [Pres. Personnel]	Weaver	OEOB 131
4/26/95	7:30 am 8:54 TOA	Kang [Matsui?]	Kang	OEOB 474
4/27/95	4:00 pm 3:52 TOA	Eder [Matsui]	Eder	OEOB 122
5/11/95	4:00 pm 3:44 TOA or 4:44 TOA	Eder [Matsui]	Eder	OEOB
5/19/95	2:00 pm 2:36 TOA	Matsui	Shulman	OEOB
5/30/95	2:00 pm 2:04 TOA	Swisshelm	Swisshelm	OEOB 423

6/7/95	8:00 pm 7:59 TOA	Weaver [Pres. Personnel]	Weaver	West Wing
6/21/95	4:00 pm	Barker	Barker	OEOB 474 [Note: There is no TOA/POA.]
7/10/95	4:00 pm 4:09 / 5:39	Eder [Matsui]	Eder	OEOB 180
7/27/95	10:30 am	Potus	Skinner	S. Lawn [Note: There is no TOA/POA.]
9/13/95	5:15 pm 5:15 enter	Hemreich	Cameron	West Wing
9/14/95	9:15 am 9:23 / 10:40	Weaver [Pres. Personnel]	Weaver	West Wing
9/14/95	12:00 pm 12:18 / 1:25	Schiff [WW Receptionist]	Schiff	West Wing
9/15/95	10:45 am 10:59 / 11:26	Lindsey	Dudley	West Wing
10/16/95	3:30 pm 3:21 enter	Kyle [International Economic Affairs/NSC]	Blieberge	OEOB 227
10/26/95	5:00 pm 2:03 / 2:53 and 4:52 / 7:05	Matsui	Eder	OEOB 122
11/2/95	8:00 am	Matsui	Eder	OEOB 474 [Note: There is no TOA/POA.]
11/2/95	8:30 am 8:32 / 9:29	Eder	Eder	OEOB 122
11/6/95	5:00 pm	Matsui	Eder	OEOB 122 [Note: There is no TOA/POA.]
11/13/95	5:00 pm 5:22 TOA	Matsui	Wyckoff	OEOB 474

11/13/95	12:30 pm 12:30 TOA	VP	Thomas	OEOB 476
11/13/95	4:20 pm	Flotus	Skinner	East Wing [Note: There is no TOA/POA.]
12/16/95	9:15 am 9:39 TOA	Potus	Cameron	WW
12/16/95	7:30 pm	Potus	Widdess	State Room [Note: There is no TOA/POA.]
12/18/95	4:00 pm 3:56 / 5:29	Matsui	Eder	OEOB 122
12/21/95	2:15 pm 2:22 / 3:04	Scott	Heistad	OEOB 115
12/22/95	4:30 pm	Potus	Cameron	WW [Note: There is no TOA/POA.]
12/23/95	9:15 am	Potus	Cameron	WW [Note: There is no TOA/POA.]
2/9/96	5:00 pm 4:56 / 6:47	Matsui	Eder	West Wing
2/16/96	2:00 pm 2:08 / 3:21	Matsui	Eder	OEOB 122
2/21/96	5:00 pm	Matsui	Eder	WW [Note: There is no TOA/POA.]
2/27/96	3:30 pm	Matsui	Eder	WW [Note: There is no TOA/POA.]
3/1/96	11:40 am 11:48 / 12:46	Huynh [Pres. Personnel]	Huynh	OEOB 131
3/15/96	1:15 pm 1:18 enter	VP	Jones	West Wing
3/27/96	7:00 pm 6:49 TOA	Potus	Spangler	Residence

3/28/96	10:00 am 9:52 / 11:17	Williams	Lewis	OEOB 100
3/28/96	1:00 pm 1:04 / 2:40	Nash	Eaglin	OEOB 153
3/29/96	2:30 pm 2:16 / 4:10	Lewis [FL's office]	Lewis	OEOB 100
3/29/96	3:30 pm	Ickes	Sutton	WW [Note: There is no TOA/POA.]
4/10/96	4:00 pm 3:50 / 4:28	Huynh [Pres. Personnel]	Huynh	OEOB 131
5/30/96	4:15 pm 4:11 / 4:54	Huynh [Pres. Personnel]	Huynh	OEOB 131
5/30/96	5:00 pm 4:57 / 6:38	Matsui	Eder	West Wing
6/5/96	9:00 pm 8:59 / 9:27	Weaver [Pres. Personnel]	Weaver	West Wing
6/6/96	11:45 am 11:55 / 1:16 2:47 / 4:41	Huynh [Pres. Personnel]	Huynh	OEOB 131
6/13/96	5:00 pm	Matsui	Eder	WW [Note: There is no TOA/POA.]
6/18/96	8:30 am 8:39 / 10:30	Potus	Spangler	Residence
6/27/96	11:45 am 12:17 / 1:47	Weaver [Pres. Personnel]	Weaver	OEOB 154
6/27/96	5:00 pm 5:34 / 6:40	Matsui	Eder	West Wing
7/8/96	9:10 am	Huynh [Pres. Personnel]	Huynh	OEOB 154 [Note: There is no TOA/POA.]
7/16/96	4:00 pm	Huynh [Pres. Personnel]	Huynh	OEOB 474 [Note: There is no TOA/POA.]

7/18/96	2:00 pm	Matsui	Eder	OEOB 450 [Note: There is no TOA/POA.]
8/1/96	5:00 pm 4:59/7:13	Gardenswartz	Matsui	West Wing
8/9/96	1:30 pm 1:37 / 2:48	Nash	Sheehan	OEOB 153
8/20/96	2:00 pm 1:54 / 2:21	Huynh	Huynh	OEOB 154
8/22/96	5:00 pm 5:26 / 6:50	Matsui	Eder	West Wing
9/5/96	5:00 pm 5:13 / 6:04	Matsui	Eder	West Wing
9/5/96	6:10 pm 6:12 / 8:26	Huynh [Pres. Personnel]	Huynh	OEOB 154
9/26/96	5:00	Matsui	Eder	West Wing [Note: There is no TOA/POA.]
10/3/96	5:06 pm /7:09pm	Matsui	Eder	West Wing

Presidential Events to which Mr. Huang was Invited
Using White House USSS Waves Records to Identify Visits

Date	Event/Type of Visit
2/11/93*	**Address to Business Leaders (no entry on White House USSS Waves records)**
3/15/93	DNC Breakfast
4/19/93	Photo Op; also Messrs. Riady, Grobmyer
5/3/93	Asian Pacific Reception
5/21/93	DNC Reception (2 Clearance Requests)
8/2/93	Meeting with California Opinion Leaders
10/14/93	DNC Reception
11/3/93	Arkansas Reception
1/5/94	Western Reception (2 Clearance Requests)
6/13/94	Japan State Arrival (records reflect no arrival time)
6/21/94	Business Leaders Reception
7/21/94	Commerce Department Political Appointees Reception (POTUS did not attend)
9/22/94	Rhythm & Blues Concert (2 Clearance Requests)
9/27/94	Yeltsin State Arrival (records reflect no arrival time)
7/27/95	South Korea State Reception (records reflect no arrival time)
9/13/95	Meeting; also Messrs. Riady, Giroir, Lindsey and Mrs. Riady
12/16/95	Radio Address
12/16/95	Holiday Reception (records reflect no arrival time)
12/22/95	Radio Address (records reflect no arrival time)
12/23/95	Radio Address (records reflect no arrival time)
3/27/96	DNC Dinner
6/18/96	DNC Coffee
Total	15 Visits (6 "no-shows" by Mr. Huang)



USSS WAVES RECORDS FOR ENTRY INTO WHITE HOUSE COMPLEX

John Huang*

Vice President -- 4 clearance requests, 3 times of arrival ("TOA")

1/6/94 -- Huang cleared in to see swearing-in of Ambassador Ginsburg; VPOTUS did not attend
5/20/94 -- greet with APA leadership in ceremonial office
11/13/95 -- DSCC photo-op
3/15/96 -- no TOA but see WAVES records for Jones

First Lady -- 1 clearance request, no TOA

11/13/95 -- no TOA; FLOTUS out of White House

Harold Ickes -- 2 clearance requests, 1 TOA

10/2/95 -- meeting re: Huang going to DNC
3/29/96 -- no TOA

Bruce Lindsey -- 1 clearance request, 1 TOA

9/15/95 -- meeting re: DNC decision

Maggie Williams -- 2 clearance requests (incl. P. Lewis request), 2 TOA (incl. P. Lewis TOA)

3/28/96 -- meeting with Amb. March Fong Eu (Ambassador to Micronesia); dropped by but Maggie unavailable so came back next day
3/29/96 -- meeting with Amb. March Fong Eu (P.Lewis listed as visitee); drop-by hello

Robert Rubin -- 2 clearance requests; 1 TOA

4/19/93 -- Rubin does not recall this meeting so unkown whether the two saw each other; Huang, James Riady, and Mark Grobmyer had photo-op with President this day
6/24/94 -- no TOA

Draft

EXHIBIT
BL-23

MEMORANDUM

TO: Mack McLarty

FROM: Mark Middleton

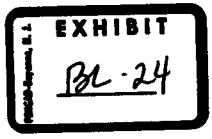
RE: Monday Meeting

DATE: 9/6/96

Many thanks to you for your expeditious assistance. It is appreciated and remembered.

The meeting participant is currently staying at the Four Seasons Hotel in New York (212-758-5700), he can be reached at that number until Saturday morning. His Washington DC reservation is at the Hay Adams Hotel (202-638-6600) where he is expected to arrive on Saturday evening.

If I can be helpful in facilitating the Monday meeting, I stand ready to be of assistance. Again, I appreciate your help.



-J -
Erskine asked to return this memo to you (unread). Until he becomes the Chief of Staff, he need not be briefed on these matters.

THE WHITE HOUSE
WASHINGTON
November 26, 1996

MEMORANDUM TO LEON PANETTA
CHIEF OF STAFF

ERSKINE BOWLES
CHIEF OF STAFF-DESIGNATE

FROM: JANE SHERBURNE JS
SPECIAL COUNSEL TO THE PRESIDENT

SUBJECT: WHITE HOUSE STATEMENTS RE RIADY MEETINGS

The following is my understanding of the development of White House statements related to meetings between the President and James Riady. In early October 1996, Mark Fabiani reported to me that the Wall Street Journal was working on a story about the President's relationship with the Riady family, John Huang and the Lippo Group. The WSJ asked about the number of times James Riady had met with the President and the nature of any such meetings. On checking records of meetings with the President, Miriam Nemetz (Associate Counsel) reported to me that there were at least two White House meetings: one in April 1993 that lasted about five minutes and a 20 minute meeting in the Oval Office in September 1995. The President also had a brief encounter with Riady at a social event in Jakarta in November 1994. Bruce Lindsey had been present at the Jakarta event and at the September 1995 meeting.

I consulted with Bruce about how to describe these meetings. He said they were social visits. Nancy Hernreich (Director of Oval Office Operations), confirmed that the April 1993 meeting had been simply to say hello. Accordingly, I instructed Fabiani to describe the meetings as casual, drop-by visits, primarily social in nature. I also suggested that we refer to the number as "a few" and confirm there were at least three, while we continued to check for records of other meetings.

After published reports of the two White House meetings (e.g. NYTimes 10/11), Bruce told me we had failed to identify and mention a more recent meeting that had occurred sometime in what was then the previous six or eight weeks. (Miriam checked this with Nancy Hernreich who told Miriam that she had mentioned this most recent meeting when Miriam had first questioned her.) I instructed Fabiani to disclose the 4th meeting, which was reported in the press on October 12, 1996 (Washington Post). Thereafter, I instructed Miriam to assemble all WAVES records reflecting meetings with Riady. The records confirmed a meeting on September 9, 1996. We continued to describe the meetings as "drop by social visits" (e.g. Washington Post 10/12, LATimes 10/14).

EOP 004056

EXHIBIT 84-25

During this same time period, Fabiani had been asked whether the President an Riady had a private conversation in a limousine somewhere around the time of the summe Olympics during which they discussed U.S. policy toward China. Bruce confirmed to me the Riady had sat with the President in his limousine following a political dinner in Washingto sometime since the Olympics. He did not know what they discussed and said it likely was privat only because the Secret Service would have been uncomfortable with the President standin outside in the open for longer than a few minutes.

On October 10 or 11, I asked Records Management to pull all Riady correspondence. The correspondence included an extensive letter from Mochtar Riady to the President in early 1993 expressing views on a variety of subjects of significance to Pacific Rim interests. There was also a July 1993 thank you letter from the President to James Riady on the bottom of which the President had handwritten, "I enjoyed my visit with President Soeharto."

I brought this correspondence with me on October 13 to the Albuquerque debate preparation and showed it to Bruce. I told him I thought it likely that this correspondence and the limousine meeting would become public and that it would raise questions about our characterization of the President's relationship with the Riadys as simply social. Bruce did not disagree, but expressed a concern that if we acknowledged there may have been policy discussions the meetings would begin to sound more substantive than they were in fact. Following this discussion, I advised Fabiani to begin "backgrounding" with the press the likelihood that these meetings included casual conversation about issues of interest to Pacific Rim countries.

On October 14 or 15, during a conference call with several people involved in handling the Riady matter, including Bruce, I expressed concern about our characterization of these visits, based on the additional information we had learned about these meetings. I do not remember or know that I even knew who all participated in the call. I believe, in addition to Bruce and me (who were in the same room) and Fabiani, the other participants were Harold Ickes, Joe Sandler (DNC General Counsel), Amy Weiss Tobe (DNC Press Spokeswoman), and Joe Lockhardt (Clinton Gore Spokesman). Fabiani stated his view that we should provide a more complete description of what occurred at the meetings between Riady and the President. He said that the press was skeptical about our statements that they were social visits. I believe this was the call in which Fabiani also expressed the view that the press did not expect a detailed explanation until after the election. Bruce reiterated his concern about overstating the significance of the meetings. However, no one, including Bruce, disagreed that we needed to provide a fuller account of these meetings if press interest persisted.

At about this time, Joe Sandler told me that John Huang had refused to tell hir about one of the subjects that had been discussed in his September 1995 meeting with th President, Bruce and Riady. I asked Bruce if he had any idea what Huang was withholding an Bruce told me that they had discussed Huang moving from his post in the Commerce Departmen to a fundraising position at the DNC.

On October 16, 1996, the LA Times reported the following:

> One of Clinton's senior advisors, Bruce Lindsey, said he has been present for twc meetings between Riady and Clinton in the past two years, including one in the last few months. "It was basically a drop-by social visit," Lindsey said of that session. He said no issues of U.S. policy were discussed. When asked whether the meeting was about fund-raising, he declined further comment. "I'm not going to tell you what the meeting was about," he said.

I asked Bruce about the statement and told him, as Fabiani had reported to me, that it had created quite a buzz in the press because it suggested we were refusing to provide any more information about the meetings. Bruce told me that the LATimes had confused the quote because he had not been referring to the September 1996 meeting, but the September 1995 meeting (at which Huang's transfer to the DNC had been discussed). He did not seem to recognize that his statement was inconsistent with what I thought was an understanding that we would be more forthcoming in describing what occurred at these meetings.

On returning to Washington after the San Diego debate, I undertook to verify that we had identified all of the meetings between Riady and the President.

As it became clear that issues related to the Riadys and other contributors were likely to endure well beyond my tenure as well as Fabiani's, I discussed with Harold whether others should handle these matters. As the days passed, Fabiani and I were becoming more immersed, which made little sense as Fabiani would be gone in a few weeks (his last day was November 15) and he had been distracted by departure planning. I had long planned to leave the White House by the end of the year. Harold discussed my concern with Bruce and reported back that Bruce had conferred with Jack Quinn and they agreed it was sensible for Fabiani and me to withdraw. Mary Ellen Glynn picked up the press function for a few days and sometime in late October, I briefed Bruce and Cheryl Mills (Associate Counsel) on the information I had collected, including what I had been able to verify about the Riady meetings. Since that time, I have been largely uninvolved.

Shortly after the election, Fabiani told me that Jeff Gerth was making inquiries

about Bruce's role. He indicated that Gerth was observing similarities between the earl Whitewater response in which Bruce was involved and the response to inquiries about foreig contributors raised in the final weeks of the campaign.

On November 14, I received a call from Steve Labaton of the NYTimes. He sai he wanted to talk to me about Bruce Lindsey's role in the White House regarding the Riad matter. He said he understood I had been concerned that Bruce's description of the Riad meetings was misleading and that he had been told that my plans to leave the White House were related to my concerns that Bruce was dissembling about the meetings. I agreed to talk tc Labaton. The discussion was off-the-record. I told Labaton that I had long planned to leave the White House and my departure had nothing to do with the Riady matter or any concern that Bruce had been untruthful. I told him of Bruce's concern that the significance of these casual meetings would be overstated if we described policy matters that had been discussed. I said that I had expressed a view that more needed to be said about the meetings because the description of them as "social" would not hold up. I told Labaton that as I had learned more about the content of these meetings, I took the position that we should explain what had occurred at the meetings and not characterize them and that Bruce did not disagree with this. He expressly asked me if I believed Bruce had lied and I expressly told him that I did not believe Bruce had lied.

On Saturday, November 16, Labaton paged me. When I returned the page, he told me that he wanted to read me a statement that Mike McCurry had given to Jeff Gerth and provide me an opportunity to respond on-the-record, as he believed Mike's statement was inconsistent with my view of events. The statement he then read indicated that Bruce had fully described the Riady meetings to me from the outset and that our initial description of the meetings as social was based on that information. Labaton offered to call me back the following day to get my response.

After speaking to Labaton, I called McCurry, with whom I had spoken earlier in the day about the developing story. I expressed dismay to Mike that he would have gone on-the-record with a statement about what I knew, when I knew it, and what advice I gave, without checking it with me. He told me he had received his information from Cheryl Mills whom he had asked to run down the facts. He said he had assumed that what she had given him had been checked with me. It hadn't. I told Mike that his statement was incorrect because I knew virtually nothing about the content of these meetings from Bruce at the time we described them as social and that nearly everything I had learned from Bruce since then had been as a result of asking him to confirm what I had learned from other sources. I also told Mike that Gerth and Labaton already knew his statement was wrong. Mike, who had made it clear from the outset that he was determined to get the full story out accurately, was concerned. He said he thought we had no choice but for me to go on-the-record with Labaton and correct it. We spoke generally about what I should say.

On Sunday morning, November 17, I wrote out a proposed on-the-record statemen and called Mike and read it to him:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings from others and confirmed that information with Bruce, Fabiani and I told him that we believed the meetings could not be characterized credibly as social visits and that we needed to describe them more fully. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time we began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

Mike suggested that I take out the reference to our belief that the visits could not be characterized credibly as social. Otherwise the statement was fine, although Mike said that he thought I was making too big a deal out of this and should try to down play it.

Labaton called back on Monday morning. I read him the following:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings and confirmed that information with Bruce, Fabiani and I recommended that the description of the meetings be elaborated. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time Mark and I began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

In response, Labaton asked why we recommended that the description be elaborated. I said it was "because I felt, as did Mark, that calling them social would subject us to challenges."

THE WHITE HOUSE
WASHINGTON
November 26, 1996

Jack,
This is
mostly crap.
Bruce

MEMORANDUM TO LEON PANETTA
CHIEF OF STAFF

ERSKINE BOWLES
CHIEF OF STAFF-DESIGNATE

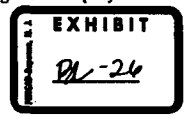
FROM: JANE SHERBURNE JSB
SPECIAL COUNSEL TO THE PRESIDENT

SUBJECT: WHITE HOUSE STATEMENTS RE RIADY MEETINGS

The following is my understanding of the development of White House statements related to meetings between the President and James Riady. In early October 1996, Mark Fabiani reported to me that the Wall Street Journal was working on a story about the President's relationship with the Riady family, John Huang and the Lippo Group. The WSJ asked about the number of times James Riady had met with the President and the nature of any such meetings. On checking records of meetings with the President, Miriam Nemetz (Associate Counsel) reported to me that there were at least two White House meetings: one in April 1993 that lasted about five minutes and a 20 minute meeting in the Oval Office in September 1995. The President also had a brief encounter with Riady at a social event in Jakarta in November 1994. Bruce Lindsey had been present at the Jakarta event and at the September 1995 meeting.

I consulted with Bruce about how to describe these meetings. He said they were social visits. Nancy Hernreich (Director of Oval Office Operations), confirmed that the April 1993 meeting had been simply to say hello. Accordingly, I instructed Fabiani to describe the meetings as casual, drop-by visits, primarily social in nature. I also suggested that we refer to the number as "a few" and confirm there were at least three, while we continued to check for records of other meetings.

After published reports of the two White House meetings (e.g. NYTimes 10/11), Bruce told me we had failed to identify and mention a more recent meeting that had occurred sometime in what was then the previous six or eight weeks. (Miriam checked this with Nancy Hernreich who told Miriam that she had mentioned this most recent meeting when Miriam had first questioned her.) I instructed Fabiani to disclose the 4th meeting, which was reported in the press on October 12, 1996 (Washington Post). Thereafter, I instructed Miriam to assemble all WAVES records reflecting meetings with Riady. The records confirmed a meeting on September 9, 1996. We continued to describe the meetings as "drop by social visits" (e.g. Washington Post 10/12. LATimes 10/14).



During this same time period, Fabiani had been asked whether the President and Riady had a private conversation in a limousine somewhere around the time of the summer Olympics during which they discussed U.S. policy toward China. Bruce confirmed to me that Riady had sat with the President in his limousine following a political dinner in Washington sometime since the Olympics. He did not know what they discussed and said it likely was private only because the Secret Service would have been uncomfortable with the President standing outside in the open for longer than a few minutes.

On October 10 or 11, I asked Records Management to pull all Riady correspondence. The correspondence included an extensive letter from Mochtar Riady to the President in early 1993 expressing views on a variety of subjects of significance to Pacific Rim interests. There was also a July 1993 thank you letter from the President to James Riady on the bottom of which the President had handwritten, "I enjoyed my visit with President Soeharto."

I brought this correspondence with me on October 13 to the Albuquerque debate preparation and showed it to Bruce. I told him I thought it likely that this correspondence and the limousine meeting would become public and that it would raise questions about our characterization of the President's relationship with the Riadys as simply social. Bruce did not disagree, but expressed a concern that if we acknowledged there may have been policy discussions the meetings would begin to sound more substantive than they were in fact. Following this discussion, I advised Fabiani to begin "backgrounding" with the press the likelihood that these meetings included casual conversation about issues of interest to Pacific Rim countries.

On October 14 or 15, during a conference call with several people involved in handling the Riady matter, including Bruce, I expressed concern about our characterization of these visits, based on the additional information we had learned about these meetings. I do not remember or know that I even knew who all participated in the call. I believe, in addition to Bruce and me (who were in the same room) and Fabiani, the other participants were Harold Ickes, Joe Sandler (DNC General Counsel), Amy Weiss Tobe (DNC Press Spokeswoman), and Joe Lockhardt (Clinton Gore Spokesman). Fabiani stated his view that we should provide a more complete description of what occurred at the meetings between Riady and the President. He said that the press was skeptical about our statements that they were social visits. I believe this was the call in which Fabiani also expressed the view that the press did not expect a detailed explanation until after the election. Bruce reiterated his concern about overstating the significance of the meetings. However, no one, including Bruce, disagreed that we needed to provide a fuller account of these meetings if press interest persisted.

At about this time, Joe Sandler told me that John Huang had refused to tell him about one of the subjects that had been discussed in his September 1995 meeting with the President, Bruce and Riady. I asked Bruce if he had any idea what Huang was withholding and Bruce told me that they had discussed Huang moving from his post in the Commerce Department to a fundraising position at the DNC.

On October 16, 1996, the LA Times reported the following:

> One of Clinton's senior advisors, Bruce Lindsey, said he has been present for two meetings between Riady and Clinton in the past two years, including one in the last few months. "It was basically a drop-by social visit," Lindsey said of that session. He said no issues of U.S. policy were discussed. When asked whether the meeting was about fund-raising, he declined further comment. "I'm not going to tell you what the meeting was about," he said.

I asked Bruce about the statement and told him, as Fabiani had reported to me, that it had created quite a buzz in the press because it suggested we were refusing to provide any more information about the meetings. Bruce told me that the LATimes had confused the quote because he had not been referring to the September 1996 meeting, but the September 1995 meeting (at which Huang's transfer to the DNC had been discussed). He did not seem to recognize that his statement was inconsistent with what I thought was an understanding that we would be more forthcoming in describing what occurred at these meetings.

On returning to Washington after the San Diego debate, I undertook to verify that we had identified all of the meetings between Riady and the President.

As it became clear that issues related to the Riadys and other contributors were likely to endure well beyond my tenure as well as Fabiani's, I discussed with Harold whether others should handle these matters. As the days passed, Fabiani and I were becoming more immersed, which made little sense as Fabiani would be gone in a few weeks (his last day was November 15) and he had been distracted by departure planning. I had long planned to leave the White House by the end of the year. Harold discussed my concern with Bruce and reported back that Bruce had conferred with Jack Quinn and they agreed it was sensible for Fabiani and me to withdraw. Mary Ellen Glynn picked up the press function for a few days and sometime in late October, I briefed Bruce and Cheryl Mills (Associate Counsel) on the information I had collected, including what I had been able to verify about the Riady meetings. Since that time, I have been largely uninvolved.

Shortly after the election, Fabiani told me that Jeff Gerth was making inquiries

about Bruce's role. He indicated that Gerth was observing similarities between the early Whitewater response in which Bruce was involved and the response to inquiries about foreign contributors raised in the final weeks of the campaign.

On November 14, I received a call from Steve Labaton of the NYTimes. He said he wanted to talk to me about Bruce Lindsey's role in the White House regarding the Riady matter. He said he understood I had been concerned that Bruce's description of the Riady meetings was misleading and that he had been told that my plans to leave the White House were related to my concerns that Bruce was dissembling about the meetings. I agreed to talk to Labaton. The discussion was off-the-record. I told Labaton that I had long planned to leave the White House and my departure had nothing to do with the Riady matter or any concern that Bruce had been untruthful. I told him of Bruce's concern that the significance of these casual meetings would be overstated if we described policy matters that had been discussed. I said that I had expressed a view that more needed to be said about the meetings because the description of them as "social" would not hold up. I told Labaton that as I had learned more about the content of these meetings, I took the position that we should explain what had occurred at the meetings and not characterize them and that Bruce did not disagree with this. He expressly asked me if I believed Bruce had lied and I expressly told him that I did not believe Bruce had lied.

On Saturday, November 16, Labaton paged me. When I returned the page, he told me that he wanted to read me a statement that Mike McCurry had given to Jeff Gerth and provide me an opportunity to respond on-the-record, as he believed Mike's statement was inconsistent with my view of events. The statement he then read indicated that Bruce had fully described the Riady meetings to me from the outset and that our initial description of the meetings as social was based on that information. Labaton offered to call me back the following day to get my response.

After speaking to Labaton, I called McCurry, with whom I had spoken earlier in the day about the developing story. I expressed dismay to Mike that he would have gone on-the-record with a statement about what I knew, when I knew it, and what advice I gave, without checking it with me. He told me he had received his information from Cheryl Mills whom he had asked to run down the facts. He said he had assumed that what she had given him had been checked with me. It hadn't. I told Mike that his statement was incorrect because I knew virtually nothing about the content of these meetings from Bruce at the time we described them as social and that nearly everything I had learned from Bruce since then had been as a result of asking him to confirm what I had learned from other sources. I also told Mike that Gerth and Labaton already knew his statement was wrong. Mike, who had made it clear from the outset that he was determined to get the full story out accurately, was concerned. He said he thought we had no choice but for me to go on-the-record with Labaton and correct it. We spoke generally about what I should say.

On Sunday morning, November 17, I wrote out a proposed on-the-record statement and called Mike and read it to him:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings from others and confirmed that information with Bruce, Fabiani and I told him that we believed the meetings could not be characterized credibly as social visits and that we needed to describe them more fully. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time we began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

Mike suggested that I take out the reference to our belief that the visits could not be characterized credibly as social. Otherwise the statement was fine, although Mike said that he thought I was making too big a deal out of this and should try to down play it.

Labaton called back on Monday morning. I read him the following:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings and confirmed that information with Bruce, Fabiani and I recommended that the description of the meetings be elaborated. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time Mark and I began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

In response, Labaton asked why we recommended that the description be elaborated. I said it was "because I felt, as did Mark, that calling them social would subject us to challenges."

THE WHITE HOUSE
WASHINGTON

11/22/96

JANE —

AFTER TALKING WITH YOU YESTERDAY ABOUT THE LETTER YOU'VE BEEN WORKING ON, I TOOK A STAB AT DRAFTING ONE THAT ATTEMPTS TO CAPTURE THE FACTS AS YOU OUTLINED THEM TO ME.

IT GOES WITHOUT SAYING THAT IF THIS IS IN ANY WAY INACCURATE OR INCONSISTENT WITH WHAT YOU TOLD THE NYT, YOU SHOULD MAKE THOSE CHANGES.

LET ME KNOW IF THIS HELPS

C —



Letter to the Editor, *The New York Times*

On November 19, 1996, *The New York Times* published an article quoting me regarding the White House's description of two of the visits Mr. James Riady had with the President. "Close Aide to Clinton Urged Less Candor Over Indonesia," A1. You subsequently described my views in an editorial on November 20, 1996. "An Instinct to Deceive," A24. I am writing personally to correct the inaccuracies of both publications.

The most significant inaccuracy is the suggestion that there was ever any conflict between the President's advisors, or that anyone wanted to "stonewall" about the facts. There was no such conflict. No one ever suggested stonewalling or being less than forthcoming. No one sought to mislead. And no one disagreed about the facts as we knew them.

There thus was never any disagreement within the White House, and certainly none between myself and Mr. Lindsey, regarding the underlying facts of the two visits Mr. Riady had with the President at which Mr. Lindsey was present. On both occasions, Mr. Riady dropped by for a short visit; on one occasion, his wife accompanied him as did Mr. Huang and Mr. Giroir; on the other visit, Mr. Middleton accompanied him. I understood that, among other things, they talked about friends, families and Arkansas. During the course of one of these visits, they discussed Mr. Huang's desire to work for the Democratic National Committee. During the course of the other visit, Mr. Riady applauded the President's year-old China policy and encouraged him to continue engaging China.

Much has been made about how these visits should be characterized. Mr. Lindsey believed, and I think he correctly continues to believe, that characterizing these visits as policy discussions would be flatly inaccurate. Someone's comment of support for a policy determined a year earlier in the course of conversation dominated by talk of family and friends did not, in his mind, constitute a policy discussion. I did not disagree; I was only concerned about how the press would portray these meetings. There were discussions among many people about the proper characterization of these two of Mr. Riady's visits, not whether to disclose the information. More importantly, it is simply wrong to say that Mr. Lindsey overruled me. Indeed, I specifically told Mr. Labaton that Mr. Lindsey never did.

Yet another fundamental inaccuracy is the suggestion that I am leaving the White House or withdrew from this matter because I was overruled. As I have made clear, I was not overruled. Moreover, this type of discussion, which happens every day, is not even remotely close to the kind of issue over which I would resign. I made the decision long ago to return to the private sector. Similarly, Mr. Fabiani accepted an offer to work in Los Angeles long before these issues arose. In fact, I decided to transfer this matter to another attorney only after it became clear that this matter would extend beyond the election and beyond the time frame I had in mind for leaving the White House. I therefore made the judgment that someone who would be here longer than I should handle this matter.

Your paper has also improperly attributed a remark to the President. He stated in his interview with your newspaper that "the only policy issues" that came up, were the ones we've identified. But, he never said that it was incorrect to characterize these visits as social.

In his press conference and again to your newspaper, the President has indicated how he makes policy decisions. In making such decisions, he considers the advice of key advisors, lawmakers, academicians, as well as a wide range of other Americans, and then makes the decision he thinks is best for America. The China policy that Mr. Riady applauded and encouraged to be continued has been supported by *The Wall Street Journal, The Los Angeles Times,* and *The Washington Post*. But at bottom, it should be self-evident that Mr. Riady's comment could not have affected a policy that had been in place for more than a year.

I wanted to make sure that I took this opportunity to clarify any potential misimpressions that may have been left in the public's mind by your newspaper about these matter.

11·23·96
NEW DRAFT
REFLECTS COMM
OF EVELYN, McCU
LINDSEY.

Letter to the Editor, *The New York Times*

On November 19, 1996, *The New York Times* published an article quoting me regarding the White House's description of two of the visits Mr. James Riady had with the President ("Close Aide to Clinton Urged Less Candor Over Indonesia," A1). You subsequently described my views in an editorial on November 20, 1996 ("An Instinct to Deceive," A24). I am writing to correct the inaccuracies in both pieces.

The most significant inaccuracy is the suggestion that there was ever any conflict among the President's advisors, or that anyone wanted to "stonewall" about the facts. There was no such conflict. No one ever suggested stonewalling or being less than forthcoming. No one sought to mislead. And no one disagreed about the facts as we knew them.

Thus there was never any disagreement within the White House, and certainly none between Mr. Lindsey and me, regarding the underlying facts of the two visits Mr. Riady had with the President at which Mr. Lindsey was present. On both occasions, Mr. Riady dropped by for a short visit; on one occasion, his wife accompanied him as did Mr. Huang and Mr. Giroir; on the other visit, Mr. Middleton accompanied him. I understood that, among other things, they talked about friends, families and Arkansas. During the course of one of these visits, they discussed Mr. Huang's desire to work for the Democratic National Committee. During the course of the other visit, Mr. Riady applauded the President's year-old China policy and encouraged him to continue engaging China.

Much has been made about how these visits should be characterized. Mr. Lindsey believed, and he correctly continues to believe, that characterizing these visits as policy discussions would be flatly inaccurate. A person's comment of support for a policy determined a year earlier in the course of otherwise personal conversation did not, in his mind, constitute a policy discussion. I did not disagree; I was concerned only about how the press would portray these meetings. There were discussions among many people about the proper characterization of these two of Mr. Riady's visits, not whether to disclose the information. More importantly, it is simply wrong to say that Mr. Lindsey overruled me. Indeed, I specifically told Mr. Labaton that Mr. Lindsey never did.

Yet another fundamental inaccuracy is the suggestion that I am leaving the White House or withdrew from this matter because I was overruled. As I have made clear, I was not overruled. Moreover, this type of discussion, which happens every day, is not even remotely close to the kind of issue over which I would resign. I made the decision long ago to return to the private sector at the end of the year, a decision to which a number of White House staff can attest. Similarly, Mr. Fabiani accepted an offer to work in Los Angeles long before these issues arose. In fact, I decided to transfer this matter to another attorney only after it became clear that this matter would extend beyond the time frame I had in mind for leaving the White House.



Your paper has also improperly attributed a remark to the President. He stated in his interview with your newspaper that "the only policy issues" that came up, were the ones we've identified. He never said that it was incorrect to characterize these visits as social.

In his press conference and again to your reporter, the President indicated how he makes policy decisions. He considers the advice of key advisors, lawmakers, academicians, as well as a wide range of other Americans, and then makes the decision he thinks is best for America. The China policy that Mr. Riady applauded and encouraged to be continued has been supported by *The Wall Street Journal, The Los Angeles Times,* and *The Washington Post.* It should be self-evident, however, that Mr. Riady's comment could not have affected a policy that had been in place for more than a year.

I wanted to clarify any potential misimpressions that your newspaper may have been left in the public's mind about this matter.

THE WHITE HOUSE
WASHINGTON
November 26, 1996

MEMORANDUM TO LEON PANETTA
CHIEF OF STAFF

ERSKINE BOWLES
CHIEF OF STAFF-DESIGNATE

EXHIBIT
BL-29

FROM: JANE SHERBURNE JS
SPECIAL COUNSEL TO THE PRESIDENT

SUBJECT: WHITE HOUSE STATEMENTS RE RIADY MEETINGS

The following is my understanding of the development of White House statements related to meetings between the President and James Riady. In early October 1996, Mark Fabiani reported to me that The Wall Street Journal was working on a story about the President's relationship with the Riady family, John Huang and the Lippo Group. The WSJ asked about the number of times James Riady had met with the President and the nature of any such meetings. On checking records of meetings with the President, Miriam Nemetz (Associate Counsel) reported to me that there were at least two White House meetings: one in April 1993 that lasted about five minutes and a 20 minute meeting in the Oval Office in September 1995. The President also had a brief encounter with Riady at a social event in Jakarta in November 1994. Bruce Lindsey had been present at the Jakarta event and at the September 1995 meeting.

I consulted with Bruce about how to describe these meetings. He said they were social visits. Nancy Hernreich (Director of Oval Office Operations), confirmed that the April 1993 meeting had been simply to say hello. Accordingly, I instructed Fabiani to describe the meetings as casual, drop-by visits, primarily social in nature. I also suggested that we refer to the number as "a few" and confirm there were at least three, while we continued to check for records of other meetings.

After published reports of the two White House meetings (e.g., NYTimes 10/11), Bruce told me we had failed to identify and mention a more recent meeting that had occurred sometime in what was then the previous six or eight weeks. (Miriam checked this with Nancy Hernreich who told Miriam that she had mentioned this most recent meeting when Miriam had first questioned her.) I instructed Fabiani to disclose the 4th meeting, which was reported in the press on October 12, 1996 (Washington Post). Thereafter, I instructed Miriam to assemble all WAVES records reflecting meetings with Riady. The records confirmed a meeting on September 9, 1996. We continued to describe the meetings as "drop by social visits" (e.g., Washington Post 10/12, LATimes 10/14)

EOP 007378

During this same time period, Fabiani had been asked whether the President and Riady had a private conversation in a limousine somewhere around the time of the summer Olympics during which they discussed U.S. policy toward China. Bruce confirmed to me that Riady had sat with the President in his limousine following a political dinner in Washington sometime since the Olympics. He did not know what they discussed and said it likely was private only because the Secret Service would have been uncomfortable with the President standing outside in the open for longer than a few minutes.

On October 10 or 11, I asked Records Management to pull all Riady correspondence. The correspondence included an extensive letter from Mochtar Riady to the President in early 1993 expressing views on a variety of subjects of significance to Pacific Rim interests. There was also a July 1993 thank you letter from the President to James Riady on the bottom of which the President had handwritten, "I enjoyed my visit with President Soeharto."

I brought this correspondence with me on October 13 to the Albuquerque debate preparation and showed it to Bruce. I told him I thought it likely that this correspondence and the limousine meeting would become public and that it would raise questions about our characterization of the President's relationship with the Riadys as simply social. Bruce did not disagree, but expressed a concern that if we acknowledged there may have been policy discussions the meetings would begin to sound more substantive than they were in fact. Following this discussion, I advised Fabiani to begin "backgrounding" with the press the likelihood that these meetings included casual conversation about issues of interest to Pacific Rim countries.

On October 14 or 15, during a conference call with several people involved in handling the Riady matter, including Bruce, I expressed concern about our characterization of these visits, based on the additional information we had learned about these meetings. I do not remember or know that I even knew who all participated in the call. I believe, in addition to Bruce and me (who were in the same room) and Fabiani, the other participants were Harold Ickes, Joe Sandler (DNC General Counsel), Amy Weiss Tobe (DNC Press Spokeswoman), and Joe Lockhardt (Clinton Gore Spokesman). Fabiani stated his view that we should provide a more complete description of what occurred at the meetings between Riady and the President. He said that the press was skeptical about our statements that they were social visits. I believe this was the call in which Fabiani also expressed the view that the press did not expect a detailed explanation until after the election. Bruce reiterated his concern about overstating the significance of the meetings. However, no one, including Bruce, disagreed that we needed to provide a fuller account of these meetings if press interest persisted.

At about this time, Joe Sandler told me that John Huang had refused to tell him about one of the subjects that had been discussed in his September 1995 meeting with the President, Bruce and Riady. I asked Bruce if he had any idea what Huang was withholding and Bruce told me that they had discussed Huang moving from his post in the Commerce Department to a fundraising position at the DNC.

On October 16, 1996, the LA Times reported the following:

> One of Clinton's senior advisors, Bruce Lindsey, said he has been present for two meetings between Riady and Clinton in the past two years, including one in the last few months. "It was basically a drop-by social visit," Lindsey said of that session. He said no issues of U.S. policy were discussed. When asked whether the meeting was about fund-raising, he declined further comment. "I'm not going to tell you what the meeting was about," he said.

I asked Bruce about the statement and told him, as Fabiani had reported to me, that it had created quite a buzz in the press because it suggested we were refusing to provide any more information about the meetings. Bruce told me that the LATimes had confused the quote because he had not been referring to the September 1996 meeting, but the September 1995 meeting (at which Huang's transfer to the DNC had been discussed). He did not seem to recognize that his statement was inconsistent with what I thought was an understanding that we would be more forthcoming in describing what occurred at these meetings.

On returning to Washington after the San Diego debate, I undertook to verify that we had identified all of the meetings between Riady and the President.

As it became clear that issues related to the Riadys and other contributors were likely to endure well beyond my tenure as well as Fabiani's, I discussed with Harold whether others should handle these matters. ~~As the days passed, F~~Fabiani and I were becoming more immersed, which made little sense as Fabiani would be gone in a few weeks (his last day was November 15) and he had been distracted by departure planning. I had long planned to leave the White House by the end of the year. Harold discussed my concern with Bruce and reported back that Bruce had conferred with Jack Quinn and they agreed it was sensible for Fabiani and me to withdraw. Mary Ellen Glynn picked up the press function for a few days and sometime in late October, I briefed Bruce and Cheryl Mills (Associate Counsel) on the information I had collected, including what I had been able to verify about the Riady meetings. Since that time, I have been largely uninvolved.

Shortly after the election, Fabiani told me that Jeff Gerth was making inquiries

about Bruce's role. He indicated that Gerth was observing similarities between the early Whitewater response in which Bruce was involved and the response to inquiries about foreign contributors raised in the final weeks of the campaign.

On November 14, I received a call from Steve Labaton of the NYTimes. He said he wanted to talk to me about Bruce Lindsey's role in the White House regarding the Riady matter. He said he understood I had been concerned that Bruce's description of the Riady meetings was misleading and that he had been told that my plans to leave the White House were related to my concerns that Bruce was dissembling about the meetings. I agreed to talk to Labaton. The discussion was off-the-record. I told Labaton that I had long planned to leave the White House and my departure had nothing to do with the Riady matter or any concern that Bruce had been untruthful. I told him of Bruce's concern that the significance of these casual meetings would be overstated if we described policy matters that had been discussed. I said that I had expressed a view that more needed to be said about the meetings because the description of them as "social" would not hold up. I told Labaton that as I had learned more about the content of these meetings, I took the position that we should explain what had occurred at the meetings and not characterize them and that Bruce did not disagree with this. He expressly asked me if I believed Bruce had lied and I expressly told him that I did not believe Bruce had lied.

On Saturday, November 16, Labaton paged me. When I returned the page, he told me that he wanted to read me a statement that Mike McCurry had given to Jeff Gerth and provide me an opportunity to respond on-the-record, as he believed Mike's statement was inconsistent with my view of events. The statement he then read indicated that Bruce had fully described the Riady meetings to me from the outset and that our initial description of the meetings as social was based on that information. Labaton offered to call me back the following day to get my response.

After speaking to Labaton, I called McCurry, with whom I had spoken earlier in the day about the developing story. I expressed dismay to Mike that he would have gone on-the-record with a statement about what I knew, when I knew it, and what advice I gave, without checking it with me. He told me he had received his information from Cheryl Mills whom he had asked to run down the facts. He said he had assumed that what she had given him had been checked with me. It hadn't. I told Mike that his statement was incorrect because I knew virtually nothing about the content of these meetings from Bruce at the time we described them as social and that nearly everything I had learned from Bruce since then had been as a result of asking him to confirm what I had learned from other sources. I also told Mike that Gerth and Labaton already knew his statement was wrong. Mike, who had made it clear from the outset that he was determined to get the full story out accurately, was concerned. He said he thought we had no choice but for me to go on-the-record with Labaton and correct it. We spoke generally about what I should say.

On Sunday morning, November 17, I wrote out a proposed on-the-record statement and called Mike and read it to him:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings from others and confirmed that information with Bruce, Fabiani and I told him that we believed the meetings could not be characterized credibly as social visits and that we needed to describe them more fully. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time we began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

Mike suggested that I take out the reference to our belief that the visits could not be characterized credibly as social. Otherwise the statement was fine, although Mike said that he thought I was making too big a deal out of this and should try to down play it.

(11/18)

Labaton called back on Monday morning. I read him the following:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings and confirmed that information with Bruce, Fabiani and I recommended that the description of the meetings be elaborated. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time Mark and I began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

In response, Labaton asked why we recommended that the description be elaborated. I said it was "because I felt, as did Mark, that calling them social would subject us to challenges."

(punchy)

November 26, 1996

Cheryl --

There is much in your proposed letter to the editor that is useful but for several reasons I believe it would do more harm than good. I had hoped to complete last Thursday's conversation so you could understand the efforts I already had undertaken and why I had concluded they were unworkable. I also had expected to tell you when we resumed our meeting that I had discussed the letter with McCurry who had concluded its creation would raise more questions than it would resolve. With regard to the letter you drafted:

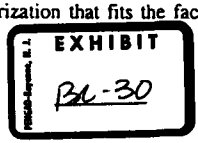
1. I disagree that "the most significant inaccuracy is the suggestion that there was ever any conflict between the President's advisors, or that anyone wanted to "stonewall" about the facts." Rather, I think the most significant inaccuracy is the inference that the President's advisors were hiding misconduct. I was unaware of any misconduct. However, we cannot say or imply that there was no disagreement about how to talk about these meetings and when to talk about them. I have heard McCurry telling reporters over the last several days that this whole issue arose out of a disagreement over whether the meetings could still be characterized as "social" when policy matters were in fact discussed. And Gerth is quite keen on pointing out that on 10/16 -- after the time we thought we all had agreed to describe the meetings more fully -- the LATimes reported that Bruce said he would not tell them what the 9/96 meeting was about. Gerth believes this justifies his conclusion that Fabiani and I got rolled on our recommendation. Bruce is vulnerable on this point and I think it hurts him to press it, in view of his 10/16 statement.

2. I don't think the third paragraph adds anything. Of course I couldn't disagree with Bruce about the facts -- I wasn't there. And the President himself has addressed what was discussed at the meetings already.

3. With regard to the 4th paragraph -- the issue was never whether we should characterize the visits as "policy discussions." Rather, the issue was whether characterizing them as "social" visits was misleading. Again, even though I told Labaton that Bruce did not disagree that the meetings needed to be described more fully, they consider that he did overrule the recommendation with his 10/16 statement. In fact (although I did not say so to Labaton), I did regard Bruce's 10/16 statement as flatly contradicting what I thought we had agreed to a day or two before. As I mentioned to you, Bruce told me his refusal to say what the meeting was about was a reference to the 9/95 meeting, not the one in 9/96. I.e. he did not want to tell them about the discussion of Huang's transfer from Commerce to the DNC, although it has since been disclosed.

4. 5th paragraph -- same problem re overruling. The rest is true enough.

5. 6th paragraph -- I don't think we should tamper with the President's statements. The President has said what he said. The whole point is to get away from the characterization -- tell the facts and let others decide the characterization that fits the facts. The President gave the



facts. I don't think it is helpful to him to invite questioning about whether he thinks the meetings were social or something else, especially when the press has widely concluded that by his own remarks the President regarded the meetings as including policy discussions.

6. Penultimate paragraph -- What does it add? The President said it best himself.



Sherburne

THE WHITE HOUSE
WASHINGTON

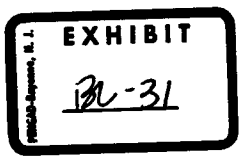
Cheryl Mills

confidential

EOP 004950

1078

Bruce described
the meetings between
the President and
Mr. Rowley as social.
He continues to regard
them as social
in nature.
B. F. learned
more about these
meetings ~~from Abbe~~
and confirmed that
info with Bruce. From Abbe
~~advised~~ recommended that
~~told him that we~~
the description of
~~believed~~ the mtgs



could not be credibly
characterized as
social ~~in nature~~
~~vs. Ts and that we~~
~~needed to described~~
be elaborated
~~them more fully~~.
Bruce feared we would
overstate their true
significance if we
described the mtgs
as more than social
but agreed that
more needed to be
said. At the time

Mark and I ~~my unit~~ ~~my unit~~ ~~our~~ ~~we~~ began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation ~~of them~~ to the public.

THE WHITE HOUSE
WASHINGTON

December 7, 1996

MEMORANDUM FOR: JACK QUINN

FROM: CDMILLS

SUBJECT: The 11/26/96 Memo

I read the 11/26/96 memo that Jane gave you on Wednesday ("WH Statements Re Riady Meetings"). I have some reservations about it, at least with respect to those things that I know about or that others have told me. I have not gone through the memo point-by-point. I have just made a few of observations -- let me know if you need to me elaborate.

1. The memo describes a process of Jane learning over a period of time what occurred at the two meetings in which Bruce participated; however, I was with Bruce on one occasion in early October when Jane paged him and he described what happened at both meetings.

2. The memo does not reference Jane's [initial/current?] statements that the genesis of the quotations/tone of the article was a "set-up" by Fabiani, which she has indicated to others.

3. The memo refers to the 3/9/93 Riady letter as a basis for her concern about describing Mr. Riady's visits as basically social; she never mentioned the letter in her discussion with me (it also was not in any of the files she gave to me on October 30th when she stopped handling this matter). [I am not clear, though, how the fact of the letter changes what happened at the two visits; we would still describe the visits based upon what occurred].

4. The memo states that I did not check with her prior to giving Bruce's understanding of the facts to McCurry; in fact McCurry asked me to check with Bruce, since Jane had already spoken with Labaton and to get back to him so he could follow-up with Jane; McCurry said he would -- and I understood that he did -- check with Jane.

These are a few reasons why the memo is not accurate, if that matters for any greater purpose.

EXHIBIT
PR-32

THE WHITE HOUSE

WASHINGTON

November 26, 1996

MEMORANDUM TO LEON PANETTA
CHIEF OF STAFF

ERSKINE BOWLES
CHIEF OF STAFF-DESIGNATE

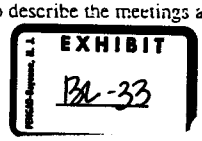
FROM: JANE SHERBURNE JSB
SPECIAL COUNSEL TO THE PRESIDENT

SUBJECT: WHITE HOUSE STATEMENTS RE RIADY MEETINGS

The following is my understanding of the development of White House statements related to meetings between the President and James Riady. In early October 1996, Mark Fabiani reported to me that the Wall Street Journal was working on a story about the President's relationship with the Riady family, John Huang and the Lippo Group. The WSJ asked about the number of times James Riady had met with the President and the nature of any such meetings. On checking records of meetings with the President, Miriam Nemetz (Associate Counsel) reported to me that there were at least two White House meetings: one in April 1993 that lasted about five minutes and a 20 minute meeting in the Oval Office in September 1995. The President also had a brief encounter with Riady at a social event in Jakarta in November 1994. Bruce Lindsey had been present at the Jakarta event and at the September 1995 meeting.

I consulted with Bruce about how to describe these meetings. He said they were social visits. Nancy Hernreich (Director of Oval Office Operations), confirmed that the April 1993 meeting had been simply to say hello. Accordingly, I instructed Fabiani to describe the meetings as casual, drop-by visits, primarily social in nature. I also suggested that we refer to the number as "a few" and confirm there were at least three, while we continued to check for records of other meetings.

After published reports of the two White House meetings (e.g. NYTimes 10/11), Bruce told me we had failed to identify and mention a more recent meeting that had occurred sometime in what was then the previous six or eight weeks. (Miriam checked this with Nancy Hernreich who told Miriam that she had mentioned this most recent meeting when Miriam had first questioned her.) I instructed Fabiani to disclose the 4th meeting, which was reported in the press on October 12, 1996 (Washington Post). Thereafter, I instructed Miriam to assemble all WAVES records reflecting meetings with Riady. The records confirmed a meeting on September 9, 1996. We continued to describe the meetings as "drop by social visits" (e.g. Washington Post 10/12, LATimes 10/14).



During this same time period, Fabiani had been asked whether the President and Riady had a private conversation in a limousine somewhere around the time of the summer Olympics during which they discussed U.S. policy toward China. Bruce confirmed to me that Riady had sat with the President in his limousine following a political dinner in Washington sometime since the Olympics. He did not know what they discussed and said it likely was private only because the Secret Service would have been uncomfortable with the President standing outside in the open for longer than a few minutes.

On October 10 or 11, I asked Records Management to pull all Riady correspondence. The correspondence included an extensive letter from Mochtar Riady to the President in early 1993 expressing views on a variety of subjects of significance to Pacific Rim interests. There was also a July 1993 thank you letter from the President to James Riady on the bottom of which the President had handwritten, "I enjoyed my visit with President Soeharto."

I brought this correspondence with me on October 13 to the Albuquerque debate preparation and showed it to Bruce. I told him I thought it likely that this correspondence and the limousine meeting would become public and that it would raise questions about our characterization of the President's relationship with the Riadys as simply social. Bruce did not disagree, but expressed a concern that if we acknowledged there may have been policy discussions the meetings would begin to sound more substantive than they were in fact. Following this discussion, I advised Fabiani to begin "backgrounding" with the press the likelihood that these meetings included casual conversation about issues of interest to Pacific Rim countries.

On October 14 or 15, during a conference call with several people involved in handling the Riady matter, including Bruce, I expressed concern about our characterization of these visits, based on the additional information we had learned about these meetings. I do not remember or know that I even knew who all participated in the call. I believe, in addition to Bruce and me (who were in the same room) and Fabiani, the other participants were Harold Ickes, Joe Sandler (DNC General Counsel), Amy Weiss Tobe (DNC Press Spokeswoman), and Joe Lockhardt (Clinton Gore Spokesman). Fabiani stated his view that we should provide a more complete description of what occurred at the meetings between Riady and the President. He said that the press was skeptical about our statements that they were social visits. I believe this was the call in which Fabiani also expressed the view that the press did not expect a detailed explanation until after the election. Bruce reiterated his concern about overstating the significance of the meetings. However, no one, including Bruce, disagreed that we needed to provide a fuller account of these meetings if press interest persisted.

At about this time, Joe Sandler told me that John Huang had refused to tell him about one of the subjects that had been discussed in his September 1995 meeting with the President, Bruce and Riady. I asked Bruce if he had any idea what Huang was withholding and Bruce told me that they had discussed Huang moving from his post in the Commerce Department to a fundraising position at the DNC.

On October 16, 1996, the LA Times reported the following:

> One of Clinton's senior advisors, Bruce Lindsey, said he has been present for two meetings between Riady and Clinton in the past two years, including one in the last few months. "It was basically a drop-by social visit," Lindsey said of that session. He said no issues of U.S. policy were discussed. When asked whether the meeting was about fund-raising, he declined further comment. "I'm not going to tell you what the meeting was about," he said.

I asked Bruce about the statement and told him, as Fabiani had reported to me, that it had created quite a buzz in the press because it suggested we were refusing to provide any more information about the meetings. Bruce told me that the LATimes had confused the quote because he had not been referring to the September 1996 meeting, but the September 1995 meeting (at which Huang's transfer to the DNC had been discussed). He did not seem to recognize that his statement was inconsistent with what I thought was an understanding that we would be more forthcoming in describing what occurred at these meetings.

On returning to Washington after the San Diego debate, I undertook to verify that we had identified all of the meetings between Riady and the President.

As it became clear that issues related to the Riadys and other contributors were likely to endure well beyond my tenure as well as Fabiani's, I discussed with Harold whether others should handle these matters. As the days passed, Fabiani and I were becoming more immersed, which made little sense as Fabiani would be gone in a few weeks (his last day was November 15) and he had been distracted by departure planning. I had long planned to leave the White House by the end of the year. Harold discussed my concern with Bruce and reported back that Bruce had conferred with Jack Quinn and they agreed it was sensible for Fabiani and me to withdraw. Mary Ellen Glynn picked up the press function for a few days and sometime in late October, I briefed Bruce and Cheryl Mills (Associate Counsel) on the information I had collected, including what I had been able to verify about the Riady meetings. Since that time, I have been largely uninvolved.

Shortly after the election, Fabiani told me that Jeff Gerth was making inquiries

about Bruce's role. He indicated that Gerth was observing similarities between the early Whitewater response in which Bruce was involved and the response to inquiries about foreign contributors raised in the final weeks of the campaign.

On November 14, I received a call from Steve Labaton of the NYTimes. He said he wanted to talk to me about Bruce Lindsey's role in the White House regarding the Riady matter. He said he understood I had been concerned that Bruce's description of the Riady meetings was misleading and that he had been told that my plans to leave the White House were related to my concerns that Bruce was dissembling about the meetings. I agreed to talk to Labaton. The discussion was off-the-record. I told Labaton that I had long planned to leave the White House and my departure had nothing to do with the Riady matter or any concern that Bruce had been untruthful. I told him of Bruce's concern that the significance of these casual meetings would be overstated if we described policy matters that had been discussed. I said that I had expressed a view that more needed to be said about the meetings because the description of them as "social" would not hold up. I told Labaton that as I had learned more about the content of these meetings, I took the position that we should explain what had occurred at the meetings and not characterize them and that Bruce did not disagree with this. He expressly asked me if I believed Bruce had lied and I expressly told him that I did not believe Bruce had lied.

On Saturday, November 16, Labaton paged me. When I returned the page, he told me that he wanted to read me a statement that Mike McCurry had given to Jeff Gerth and provide me an opportunity to respond on-the-record, as he believed Mike's statement was inconsistent with my view of events. The statement he then read indicated that Bruce had fully described the Riady meetings to me from the outset and that our initial description of the meetings as social was based on that information. Labaton offered to call me back the following day to get my response.

After speaking to Labaton, I called McCurry, with whom I had spoken earlier in the day about the developing story. I expressed dismay to Mike that he would have gone on-the-record with a statement about what I knew, when I knew it, and what advice I gave, without checking it with me. He told me he had received his information from Cheryl Mills whom he had asked to run down the facts. He said he had assumed that what she had given him had been checked with me. It hadn't. I told Mike that his statement was incorrect because I knew virtually nothing about the content of these meetings from Bruce at the time we described them as social and that nearly everything I had learned from Bruce since then had been as a result of asking him to confirm what I had learned from other sources. I also told Mike that Gerth and Labaton already knew his statement was wrong. Mike, who had made it clear from the outset that he was determined to get the full story out accurately, was concerned. He said he thought we had no choice but for me to go on-the-record with Labaton and correct it. We spoke generally about what I should say.

On Sunday morning, November 17, I wrote out a proposed on-the-record statement and called Mike and read it to him:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings from others and confirmed that information with Bruce, Fabiani and I told him that we believed the meetings could not be characterized credibly as social visits and that we needed to describe them more fully. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time we began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

Mike suggested that I take out the reference to our belief that the visits could not be characterized credibly as social. Otherwise the statement was fine, although Mike said that he thought I was making too big a deal out of this and should try to down play it.

Labaton called back on Monday morning. I read him the following:

> Bruce described the meetings between the President and Mr. Riady as social. He continues to regard them as social in nature. As I learned more about these meetings and confirmed that information with Bruce, Fabiani and I recommended that the description of the meetings be elaborated. Bruce feared we would overstate their true significance if we described the meetings as more than social but agreed that more needed to be said. At the time Mark and I began disengaging, Bruce and others anticipated a more rigorous examination of these meetings that would enable a fuller explanation to the public.

In response, Labaton asked why we recommended that the description be elaborated. I said it was "because I felt, as did Mark, that calling them social would subject us to challenges."

Letter to the Editor, *The New York Times*

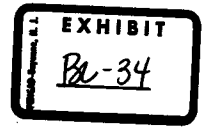
On November 19, 1996, *The New York Times* published an article quoting me regarding the White House's description of two of the visits Mr. James Riady had with the President. "Close Aide to Clinton Urged Less Candor Over Indonesia," A1. You subsequently described my views in an editorial on November 20, 1996. "An Instinct to Deceive," A24. I am writing personally to correct the inaccuracies of both publications.

The most significant inaccuracy is the suggestion that there was ever any conflict between the President's advisors, or that anyone wanted to "stonewall" about the facts. There was no such conflict. No one ever suggested stonewalling or being less than forthcoming. No one sought to mislead. And no one disagreed about the facts as we knew them.

There thus was never any disagreement within the White House, and certainly none between myself and Mr. Lindsey, regarding the underlying facts of the two visits Mr. Riady had with the President at which Mr. Lindsey was present. On both occasions, Mr. Riady dropped by for a short visit; on one occasion, his wife accompanied him as did Mr. Huang and Mr. Giroir; on the other visit, Mr. Middleton accompanied him. I understood that, among other things, they talked about friends, families and Arkansas. During the course of one of these visits, they discussed Mr. Huang's desire to work for the Democratic National Committee. During the course of the other visit, Mr. Riady applauded the President's year-old China policy and encouraged him to continue engaging China.

Much has been made about how these visits should be characterized. Mr. Lindsey believed, and I think he correctly continues to believe, that characterizing these visits as policy discussions would be flatly inaccurate. Someone's comment of support for a policy determined a year earlier in the course of conversation dominated by talk of family and friends did not, in his mind, constitute a policy discussion. I did not disagree; I was only concerned about how the press would portray these meetings. There were discussions among many people about the proper characterization of these two of Mr. Riady's visits, not whether to disclose the information. More importantly, it is simply wrong to say that Mr. Lindsey overruled me. Indeed, I specifically told Mr. Labaton that Mr. Lindsey never did.

Yet another fundamental inaccuracy is the suggestion that I am leaving the White House or withdrew from this matter because I was overruled. As I have made clear, I was not overruled. Moreover, this type of discussion, which happens every day, is not even remotely close to the kind of issue over which I would resign. I made the decision long ago to return to the private sector. Similarly, Mr. Fabiani accepted an offer to work in Los Angeles long before these issues arose. In fact, I decided to transfer this matter to another attorney only after it became clear that this matter would extend beyond the election and beyond the time frame I had in mind for leaving the White House. I therefore made the judgment that someone who would be here longer than I should handle this matter.



Your paper has also improperly attributed a remark to the President. He stated in his interview with your newspaper that "the only policy issues" that came up, were the ones we've identified. But, he never said that it was incorrect to characterize these visits as social.

In his press conference and again to your newspaper, the President has indicated how he makes policy decisions. In making such decisions, he considers the advice of key advisors, lawmakers, academicians, as well as a wide range of other Americans, and then makes the decision he thinks is best for America. The China policy that Mr. Riady applauded and encouraged to be continued has been supported by *The Wall Street Journal, The Los Angeles Times,* and *The Washington Post*. But at bottom, it should be self-evident that Mr. Riady's comment could not have affected a policy that had been in place for more than a year.

I wanted to make sure that I took this opportunity to clarify any potential misimpressions that may have been left in the public's mind by your newspaper about these matter.

This draft was prepared by Cheryl Mills and delivered to me on Friday 11/22 at 7:15 p.m. w/accompanying note.

JCS

WIN IN '96 DEMOCRATIC NATIONAL COMMITTEE
Donald L. Fowler, National Chair • Christopher J. Dodd, Chairman, [illegible]

November 25, 1996

By Facsimile

Alan C. Miller
Staff Writer
Los Angeles Times
1875 Eye Street N.W.
Washington, D.C. 20005

Dear Mr. Miller:

Thank you for your questions. Following is a response to your written inquiries. Although some of your questions address the White House and not DNC activities, we have consulted with the White House in preparing this response and have attempted to gather the information to answer your questions fully.

It is our understanding that after Mr. Huang indicated a desire to go to the DNC in a September 13, 1995 meeting with the President, Mr. Bruce Lindsey met with Mr. John Huang and referred him to Mr. Harold Ickes. The President also asked Mr. Ickes to follow up with Mr. Huang. Mr. Ickes met with Mr. Huang and subsequently spoke to DNC Finance Chairman Marvin Rosen about Mr. Huang's desire to work at the DNC. Mr. Ickes then told Mr. Huang to call the DNC. Mr. Huang's starting date, salary and title at the DNC were negotiated by the Finance Division and Chairman Fowler. Neither Mr. Ickes nor Mr. Lindsey, nor anyone else from the White House participated in these matters.

As for Mr. Huang's trip to Taiwan, we have no information that the White House was consulted about, was aware of or approved Mr. Huang's trip to Taiwan.

When questions about the DNC's fundraising arose in early October, the DNC consulted with the White House, specifically Mr. Ickes, Mr. Lindsey and Ms. Jane Sherburne, who assisted by offering advice as questions arose, including advising the DNC to gather all of the facts and provide them to press, which we did. Mr. Huang was debriefed by DNC staff so that the DNC could more fully respond to media questions. DNC staff met with Mr. Huang for as long as necessary to obtain the requisite information. On one occasion, Mr. Huang participated in a telephone conversation between DNC staff and Bruce Lindsey, the subject of which was the preparation of answers to written questions from a newspaper reporter.

EXHIBIT
BL-35

D 0000111
CONFIDENTIAL

In light of the number of reporters who were seeking to speak with Mr. Huang, the issue of Mr. Huang's continued presence at the DNC was discussed. The DNC has a long-standing policy that staff, other than those with press responsibilities, do not talk to the press. Mr. Huang indicated that, consistent with that policy, he did not wish to speak to the press. The Executive Director told Mr. Huang it was not necessary for him to come to the office as long as he could work with us by telephone to address the questions we needed to discuss with him. To our knowledge, neither Mr. Ickes nor anyone else at the White House was involved in this decision. Accordingly, we worked with Mr. Huang by telephone until Mr. Huang's counsel informed our counsel that all telephone numbers and locations we had for Mr. Huang were inoperative and that if we needed to contact Mr. Huang, we should do so through his counsel, which we did.

After Judge Lamberth requested that the DNC instruct Mr. Huang to report to work at the DNC offices on Monday, Oct 28, 1996, our Chairman did so. The DNC staff discussed this matter with Mr. Ickes, Mr. Lindsey and Ms. Sherburne. Our counsel contacted Mr. Huang's counsel and indicated that this request would be made and that the letter from Chairman Fowler would indicate that Mr. Huang would be terminated if he did not report to work. He was also told that a response would be expected that afternoon. Mr. Huang's counsel informed us that Mr. Huang would voluntarily report to work if Chairman Fowler so desired. Our letter was then sent, and has been made public. Counsel for Mr. Huang then wrote us back indicating that Mr. Huang would be in the District of Columbia on Monday morning and that counsel would arrange to have service of the subpoena completed at or before that time. That letter has also been made public.

The DNC has a longstanding policy of cooperating with all regulatory and judicial proceedings. Consistent with this policy, Mr. Huang testified fully at his deposition, without invoking the Fifth Amendment privilege.

Last week, Chairman Fowler made the decision to let Mr. Huang go, along with a number of the other fundraising staff. Ms. Thornberry informed Mr. Ickes of this decision on Thursday, November 14 at a meeting where she briefed him on the DNC's downsizing activities. Mr. Ickes suggested to DNC staff that the DNC should do whatever the organization would have normally done, regardless of the controversy. Mr. Ickes also briefed Mr. Lindsey on this matter.

Chairman Fowler was aware that substantive discussions were being conducted by appropriate DNC staff and his discussion with Mr. Huang was brief and strictly personal. Chairman Dodd does not have day to day management responsibilities at the DNC. He was told that Mr. Huang was responding to inquiries by DNC staff.

With respect to what actions officials here regard as "mistakes," the DNC's handling of this entire matter was addressed by Chairman Fowler at his press conference of November 12. Also, the DNC is cooperating fully with the FEC, where we have referred ourselves, and we have cooperated fully with the press by providing answers to questions as they arise and by announcing returned donations prior to their appearing on our FEC report.

The subject of our pre-general FEC report has been reported on extensively and was revisited in Chairman Fowler's press conference on November 12.

With respect to the additional question you gave me over the telephone, the issue of how and when our prior vetting process broke down has been extensively addressed by our Executive Director in the media. To our knowledge, the White House was not aware of this situation at the time.

Please let me know if I can be of further assistance to you.

Sincerely yours,

Amy Weiss Tobe
DNC Press Secretary

D 0000113
CONFIDENTIAL

Los Angeles Times
WASHINGTON BUREAU

December 16, 1996

To: Michael D. McCurry
From: Glenn F. Bunting
Re: Bruce R. Lindsey

We would like to request an interview with Bruce R. Lindsey to discuss his relationship with James T. Riady and John Huang as well as the precise nature of his involvement in White House dealings with Mr. Riady, Mr. Huang and the controversy over foreign-linked contributions. As you and I discussed on Friday, many of these issues involving Mr. Lindsey remain unanswered or unclear. We hope he will consider taking this opportunity to set the record straight on the following questions:

1. To what extent was Mr. Lindsey involved in helping Mr. Huang land his deputy assistant secretary position at the Commerce Department? Why was a December 6, 1993 memo urging the hiring of Mr. Huang and signed by Philip Lader, then director of White House personnel, addressed to Mr. Lindsey?

2. How long has Mr. Lindsey known Mr. Huang? What is the nature of their relationship? Were they acquaintances in Little Rock?

3. Mr. Lindsey told the Senate Whitewater Committee that he killed a plan by the Riady family to arrange for a group of Arkansans to see President Clinton during his trip to Jakarta in November of 1994. He also told the committee that a meeting between the Arkansas group and the President was canceled because Mr. Lindsey thought it was "a bad idea". Our research shows that a group of seven Arkansans went to Jakarta and that James Riady, the Arkansans and Lippo officials got the visit they sought with the President in Jakarta. How does Mr. Lindsey account for the apparent discrepancies?

4. In response to written questions, DNC officials told the Los Angeles Times that they consulted with Mr. Lindsey in early October when questions surfaced about the committee's fundraising practices. On one occasion, DNC officials said, Mr. Lindsey participated in a telephone conversation between Mr. Huang and DNC staff. What advice did Mr. Lindsey give Mr. Huang?

EXHIBIT
PR-36

INTERNATIONAL SQUARE / 1875 EYE STREET N.W. /

5. According to a front-page story in The New York Times, Mr. Lindsey was "the central figure" behind the White House decision before the November election to withhold major details of discussions between James Riady and President Clinton and to ignore the counsel of two White House lawyers to be more forthcoming about the details of those discussions. What is Mr. Lindsey's reaction to the New York Times account?

6. How long has Mr. Lindsey known the Riady family? What is the precise nature of his relationship with Mochtar and James Riady? Were they acquaintances in Little Rock?

file
DNC Fundraising –
Response to L.A. Times



Los Angeles Times
WASHINGTON BUREAU

December 16, 1996

To: Michael D. McCurry
From: Glenn F. Bunting
Re: Bruce R. Lindsey

We would like to request an interview with Bruce R. Lindsey to discuss his relationship with James T. Riady and John Huang as well as the precise nature of his involvement in White House dealings with Mr. Riady, Mr. Huang and the controversy over foreign-linked contributions. As you and I discussed on Friday, many of these issues involving Mr. Lindsey remain unanswered or unclear. We hope he will consider taking this opportunity to set the record straight on the following questions:

1. To what extent was Mr. Lindsey involved in helping Mr. Huang land his deputy assistant secretary position at the Commerce Department? Why was a December 6, 1993 memo urging the hiring of Mr. Huang and signed by Philip Lader, then director of White House personnel, addressed to Mr. Lindsey?

2. How long has Mr. Lindsey known Mr. Huang? What is the nature of their relationship? Were they acquaintances in Little Rock?

3. Mr. Lindsey told the Senate Whitewater Committee that he killed a plan by the Riady family to arrange for a group of Arkansans to see President Clinton during his trip to Jakarta in November of 1994. He also told the committee that a meeting between the Arkansas group and the President was canceled because Mr. Lindsey thought it was "a bad idea". Our research shows that a group of seven Arkansans went to Jakarta and that James Riady, the Arkansans and Lippo officials got the visit they sought with the President in Jakarta. How does Mr. Lindsey account for the apparent discrepancies?

4. In response to written questions, DNC officials told the Los Angeles Times that they consulted with Mr. Lindsey in early October when questions surfaced about the committee's fundraising practices. On one occasion, DNC officials said, Mr. Lindsey participated in a telephone conversation between Mr. Huang and DNC staff. What advice did Mr. Lindsey give Mr. Huang?

EOP 037016

INTERNATIONAL SQUARE/1875 EYE STREET, N.W./SUITE 1100/WASHINGTON, D.C. 20006/TELEPHONE (202) 293-4650

5. According to a front-page story in The New York Times, Mr. Lindsey was "the central figure" behind the White House decision before the November election to withhold major details of discussions between James Riady and President Clinton and to ignore the counsel of two White House lawyers to be more forthcoming about the details of those discussions. What is Mr. Lindsey's reaction to the New York Times account?

6. How long has Mr. Lindsey known the Riady family? What is the precise nature of his relationship with Mochtar and James Riady? Were they acquaintances in Little Rock?

December 18, 1996

Mr. Glenn F. Bunting
Los Angeles Times

Dear Mr. Bunting:

This is in response to your December 16, 1996 memorandum to Mike McCurry outlining a series of questions concerning my relationship with the Riadys and with John Huang.

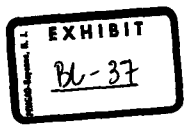
You ask when I first met the Riadys and Mr. Huang and the nature of my relationship with each of them. I do not believe I met either James Riady or John Huang before the 1992 Presidential campaign, although it is possible that I was introduced to James Riady at some point while he was associated with Worthen National Bank in Little Rock. We were not "acquaintances" if that term suggests anything more than perhaps shaking hands. The only time I have met Mochtar Riady was in Jakarta during the 1994 APEC meeting. I would describe my relationship with James Riady and John Huang as friendly but not close.

As to my role in Mr. Huang's employment at the Department of Commerce, apparently I was briefed by Gary Christopherson, who handled Department of Commerce appointments, on John Huang's appointment to be Deputy Assistant Secretary for East Asia and the Pacific, International Trade Administration, before I left Presidential Personnel in November, 1993. (I do not recall the briefing, but a note from Mr. Christopherson indicates that it occurred.) You note that the decision memorandum on Mr Huang's appointment was addressed to me but signed by Phil Lader. A possible explanation is that a draft of the memorandum was prepared while I was still head of the office, but not finalized until after I left.

You also ask what advice I gave Mr. Huang during an October, 1996, telephone conversation with DNC officials. As you know, when questions were first raised about Mr. Huang's fundraising activities, I was consulted about how to respond to press inquiries. During the course of my discussion with DNC officials, Mr. Huang entered the DNC office and joined the conversation. The only "advice" I gave Mr. Huang was to be factual.

You reference my testimony before the Senate Whitewater Committee and suggest that there are "apparent discrepancies" between that testimony and the fact that there were several Arkansans in Jakarta during the APEC meeting and that the President visited with Mochtar and James Riady during that trip. To the best of my knowledge, the Arkansans who were in Jakarta during the APEC meeting were there because the University of Arkansas School of Medicine was announcing some sort of relationship with an Indonesian university. I expressed concern about the Riadys inviting a larger group of Arkansans with no specific business reason for being there. I do not believe I ever expressed concern about the President visiting with the Riadys and would have expected that such a visit would take place.

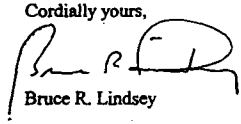
Finally, you ask my reaction to a recent *New York Times* article by Jeff Gerth and Steve



Labaton. My "reaction" is not publishable. For the record, however, I did not advise anyone to "withhold major details" of the discussions between James Riady and the President or to "ignore the counsel of two White House lawyers to be more forthcoming." I indicated both internally and to the *Los Angeles Times* that, in my opinion, the two meetings between James Riady and the President that I attended were social, not policy-related. I still believe that.

I hope this information is helpful.

Cordially yours,



Bruce R. Lindsey

BRL:l

Bruce -
Please let me know when you can complete
Lanny

FAX # [redacted]



Los Angeles Times
WASHINGTON BUREAU

December 19, 1996

To: Lanny A. Davis
From: Glenn F. Bunting
Re: Bruce R. Lindsey follow-up

While we remain very much interested in interviewing Mr. Lindsey, we are submitting additional questions in response to the written answers that you sent last evening. As you are aware, last weekend we held an article examining the Administration's handling of the foreign money controversy pending responses from Mr. Lindsey. We would appreciate receiving responses to these detailed questions for Mr. Lindsey by 5 p.m. tomorrow, December 20. If this deadline poses a problem, please call me at 861-9296. Thanks again for your cooperation.

Regarding John Huang's employment at the Commerce Department:

--You told the Senate Whitewater Committee that you had a conversation with Mr. Huang about his interest in joining the Administration. Did you ever discuss this matter with James Riady? If so, please describe.

--Is it also possible that the decision memorandum was sent to you a month after you left Presidential Personnel because you had an interest in Mr. Huang's appointment?

--Who were Mr. Huang's primary sponsors or supporters for placing him in the Administration? Were you among them?

--Why was Mr. Huang hired for his Commerce job in January, 1994 but did not start until July of that year?

Regarding your Senate Whitewater Committee testimony on the Riadys' APEC trip:

--You testified: "[The Riadys] were going to fly these Arkansans to Indonesia to be there. They thought that was a nice gesture, that the President would like to see Arkansans while he was over there. I told them I thought it was a bad idea, that I didn't think if they did it that I would recommend to the President that he see the Arkansans while he was there, and in the end they did not do it." In fact, we have learned that the Riadys arranged for a group of nine Arkansans to stay at the same hotel as the President and provided them with a fleet of limousines to escort them around Jakarta during the 1994 APEC meeting. In addition, the group did meet with the President at the hotel for about 30 minutes. While we understand that fewer Arkansans traveled to Indonesia than the Riadys' had initially planned, they nevertheless brought a group to Jakarta and succeeded in meeting with the President. Doesn't this contradict your testimony?

EXHIBIT DL-38

EOP 037010

Page Two.

Regarding the nature of discussions between the President and James Riady:

--You "still believe" that the two meetings you attended "were social, not policy-related". Two White House lawyers maintain that the President's meetings with Mr. Riady were not entirely social, that substantive policy issues dealing with Indonesia and China--in addition to Mr. Huang's proposed transfer from Commerce to the DNC--were discussed, and that the White House should have been more forthcoming prior to the election in describing details of those meetings. We also are told that you cautioned the two lawyers about providing a more complete description of the meetings. Thus, no one at the White House disclosed before the election that Mr. Riady had raised Indonesia or China with the President; you declined to provide a detailed explanation in an Oct. 15 phone call with the Los Angeles Times, and the information wasn't made available until the President granted an interview with The New York Times on Nov. 15--10 days after the election.

--Please describe in specific detail any discussions you had with the President, the two White House lawyers and any other Administration officials about how to portray the Clinton-Riady meetings before the election.

Regarding the Administration's handling of the foreign money story:

--You were involved in shaping the Administration's responses to questions about White House ties to the Riadys, Mr. Huang and foreign-linked donations to the DNC. Thus, you began participating in the White House handling of sensitive political issues along with a special unit led by Jane Sherburne that was created specifically to separate you and others who were involved in the Whitewater affair. Who decided that you should play a more active role in so-called crisis management at the White House?

--You also participated in discussions between White House and DNC officials about how to respond to press inquiries on the foreign money story, how to specifically answer written questions regarding Mr. Huang from the Wall Street Journal, how to react to a federal judge's order to instruct Mr. Huang to report to work at the DNC, as well as the decison to let Mr. Huang go. What specific positions were you advocating in these discussions with DNC officials?

--Did you participate in any discussions with the President about how the White House should handle the foreign money story before the election?

--Were you aware before the election that the President's legal defense fund in June had returned or rejected more than $639,000 to Charles Yah Lin Trie? Did you participate in any discussions concerning whether to disclose the returned money before the election? If so, please describe.

--Did you discuss with the President, Administration officials or Commerce Department officials how the Commerce Department should respond to media requests and congressional inquiries seeking information about Mr. Huang's employment at Commerce? If so, please describe.

December 20, 1996

Mr. Glenn F. Bunting
Los Angeles Times

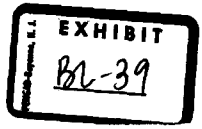
Dear Mr. Bunting:

This is in further response to your questions concerning my relationship with the Riadys and with John Huang.

I do not recall speaking with either James Riady or John Huang about Mr. Huang's interest in joining the Administration, although it is possible I spoke to either or both. I misspoke when I indicated to the Senate Whitewater Committee that I had a "conversation with Mr. Huang about his interest in joining the Administration." If you read my testimony in context, it is clear that my reference was to my conversation with Mr. Huang about joining the DNC, not the Department of Commerce. Your suggestion that the Huang decision memorandum may have been addressed to me because I "had an interest in Mr. Huang's appointment" ignores the timing of the decision memorandum and frankly makes no sense. If that were the case, it would make sense that I would have also "signed off" on the memorandum which, as you know, I did not. I do not know who Mr. Huang's primary sponsors or supporters were. I would not consider myself one of them, although I certainly did support his appointment once advised of his interest. I also do not know why Mr. Huang was "hired" in January, 1994, but did not start until July, 1994, if, in fact, that is the case.

With regard to your question about my Senate Whitewater Committee testimony on the Riadys' interest in inviting a large group of Arkansans to Jakarta during the APEC meeting, my December 18, 1996 letter explains my role and is, in my opinion, consistent with my Senate testimony. I would have considered it both presumptuous and inappropriate to have told Arkansans who had a legitimate business-related reason for being in Jakarta not to come.

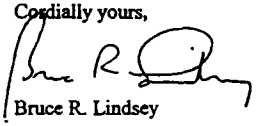
With respect to James Riady's meetings with President Clinton, I would be amazed if you have a knowledgeable source that says I "cautioned" anyone about how to describe the meetings, if by the use of that word you mean to imply some sort of coercion. I did not. In our discussions, none of which were with the President, I expressed my opinion that to describe the two meetings I attended as policy-related would be mischaracterizing those meetings. Mr. Riady's expression of support for a year-old trade policy and his hope that the President would continue to engage the Chinese leadership as he rose to leave an otherwise personal visit does not, in my opinion, convert the visit into a policy discussion. You also indicate that Mr. Riady "raised Indonesia . . . with the President." I assume you are referring to whether Mr. Riady encouraged President Clinton to see President Suharto during the June, 1993 G-7 meeting. As the President stated to the *New York Times*, he does not recall whether Mr. Riady raised that issue with him, but "think he must have . . . if I saw him, because there were a lot of people who were saying that, you know." Regardless as to whether Mr. Riady did or didn't, I certainly could not have expressed an



opinion as to how that discussion should be characterized since I was not present at that meeting or aware of what transpired.

You ask about discussions I had with the President, White House officials, the DNC, the Presidential Legal Expense Trust and the Department of Commerce. I have had no discussions with the Department of Commerce about how it should respond to either media or Congressional inquiries. With respect to my discussions with the President, White House officials, the DNC, and the Presidential Legal Expense Trust, one of the non-Washington concepts I brought with me to Washington is that conversations with or on behalf of my clients should be confidential. If you assume from my unwillingness to breach those confidences that disclosure of what was said would be harmful, your assumption would be incorrect. For the record, your statement concerning the genesis of the Whitewater "special unit" is simply incorrect. Ms. Sherburne, Mr. Fabiani and the other lawyers assigned to the Whitewater "unit" were assigned to work on that matter so that others in the White House, in particular those in the Counsel and Press offices, could concentrate on other duties.

Cordially yours,



Bruce R. Lindsey

P.S.: I have responded to your two sets of questions because I believe that Sara Fritz' reporting on Whitewater, for the most part, has been fair. I hope that doesn't hurt her standing with your newspaper.

BRL:l

[The deposition of C. Douglas Buford, Jr., follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: C. DOUGLAS BUFORD, JR.

THURSDAY, OCTOBER 23, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 10:05 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Kristi Remington, Investigative Counsel; Michelle White, Investigative Counsel; and Michael J. Raphael, Minority Counsel.

For MR. BUFORD:

JACK T. LASSITER, ESQ.
Hatfield & Lassiter
401 West Capitol, Suite 502
Little Rock, Arkansas 72201

Ms. REMINGTON. Good morning, Mr. Buford. On behalf of the members of the Committee on Government Reform and Oversight, we appreciate you appearing here today.

This proceeding is known as a deposition. The person transcribing this proceeding is a House reporter and notary public. I would now request that the reporter place you under oath.

THEREUPON, C. DOUGLAS BUFORD, JR., a witness, was called for examination by Counsel, and after having been first duly sworn, was examined and testified as follows.

Ms. REMINGTON. I would like to note for the record those who are present at the beginning of this deposition. My name is Kristi Remington, and I am the designated Majority counsel for the committee during this deposition. I am accompanied today by Michelle White, who is also with Majority staff; and Michael Raphael is the designated Minority counsel for the committee. Today, the deponent is represented by Mr. Jack Lassiter.

You have been placed under oath today, and your testimony has the same force and effect as if you were testifying before the committee or in any courtroom.

If I ask you about any conversations you have had in the past and you are unable to recall the exact words used in the conversation, please state that you are unable to recall the exact words and then give me any gist or substance of the conversation which you remember.

If I ask you whether you have any information upon a particular subject and you have overheard other persons conversing with each other regarding it or have seen correspondence or documentation regarding it, please tell me that you do have such information, and indicate the source, either a conversation or documentation or otherwise, from which you have derived such knowledge.

Before we begin the questioning, I want to give you some background about the investigation and your appearance here.

Pursuant to its authority under House Rules X and XI, the committee is engaged in a wide-ranging review of possible political fund-raising improprieties and possible violations of law.

Pages 2 through 4 of House Report 105–139 summarize the investigation as of June 19, 1997. It encompasses any new matters which arise directly or indirectly in the course of the investigation. Pages 4 through 11 of the report explain the background of the investigation.

All questions related either directly or indirectly to these issues or questions which have a tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence are proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167, which passed the full House on June 20, 1997.

The committee rule 20, of which your attorney should have received a copy, outlines the ground rules for the deposition. Majority and Minority committee counsels

will ask you questions regarding the subject matter of the investigation. Minority counsel will ask questions after Majority counsel has finished. After Minority counsel has completed questioning you, a new round of questioning may begin.

Members of Congress who wish to ask questions will be afforded an immediate opportunity to ask their questions. When they are finished, committee counsel will resume questioning.

Pursuant to the committees rules, you are allowed to have an attorney present to advise you of your rights. Any objection raised during the course of the deposition shall be stated for the record.

If the witness is instructed not to answer a question or otherwise refuses to answer a question, Majority and Minority counsel will confer to determine whether the objection is proper. If Majority and Minority counsels agree that a question is proper, the witness will be asked to answer the question. If an objection is not withdrawn, the chairman or a member designated by the chairman may decide whether the objection is proper.

This deposition is considered as taken in executive session of the committee, which means that it would not be made public without the consent of the committee, pursuant to clause 2(k)(7) of House Rule XI. You are asked to abide by the rules of the House and not discuss with anyone other than your attorney this deposition and the issues and questions raised during the proceeding.

Mr. LASSITER. Is that a requirement?

Ms. REMINGTON. We just ask you to abide by the rules.

Mr. LASSITER. Okay.

Ms. REMINGTON. Finally, no later than 5 days after your testimony is transcribed and you have been notified that your transcript is available, you may submit suggested changes to the chairman. The transcript will be available for your review at the committee office, but because you live out of town, with the consent of Minority, we have been sending the transcripts out. If you would just sign a form stating that you would agree to keep it confidential.

The committee staff may make any typographical and technical changes requested by you. Substantive changes, modifications, clarifications, or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement of your reasons for such changes. Any substantive changes or modifications to the transcript will be included as an appendix, conditioned upon your signing the transcript.

EXAMINATION BY MS. REMINGTON

Question. Do you understand everything we have gone over so far?

Answer. I think so.

Question. Are you here voluntarily today or as a result of a subpoena?

Answer. Voluntarily.

Ms. REMINGTON. Did you want to make any statement before I go into the questioning?

Mr. RAPHAEL. No, I have no statement.

Ms. REMINGTON. I had discussed with Mr. Lassiter earlier that there may be some attorney-client privilege objections waived, and I think we are going to take that on a case-by-case basis, and I would ask that the reporter just note in the transcript any time an objection is raised.

Mr. RAPHAEL. Let me ask, since I was not party to the discussion, the discussion was just that there may be attorney-client objections made?

Mr. LASSITER. I anticipate there will be. I think in the areas that you described to me that you want to inquire into, I anticipate that is probably going to happen.

Mr. RAPHAEL. I understand.

EXAMINATION BY MS. REMINGTON:

Question. Can you please state your full name and spell it for the record?

Answer. C, period, Douglas, D-O-U-G-L-A-S, Buford, B-U-F-O-R-D, Junior.

Question. And what is your current work address?

Answer. [Redacted].

Question. How long have you been at that address?

Answer. 24 years.

Question. Do you have a work telephone number?

Answer. Yes.

Question. And what is that number?

Answer. [Redacted].

Question. Is that a general firm number, or is that your direct?

Answer. Direct.

Question. What is the general firm number?

Answer. [Redacted].

Question. And we have been asking witnesses if they could provide off the record their home telephone number and home addresses. Some people don't like to put it on the record because the transcript may be made public.

Answer. Sure, I don't care.

Question. Have you discussed this deposition with anyone other than your attorney?

Answer. No. My wife; I mean, she knows where I am.

Question. Have you been provided any instructions relating to this deposition, besides by your attorney?

Answer. No.

Question. Did you review any documents in preparation for this deposition?

Answer. Oh, not really.

Question. Other than your own?

Answer. No, no.

Question. Would you please briefly describe your employment history, from college forward?

Answer. Okay. I graduated from the University of Arkansas Law School in '73; I went to work for Wright, Lindsey & Jennings; and I have been there for 24 or 25 years.

Question. Do you know James Riady?

Answer. Yes, I do.

Question. How do you know James Riady?

Answer. I first met him in the mid-eighties, when he was a resident in Little Rock.

Question. And do you recall the circumstances under which you met him?

Answer. He was an officer in the Worthen Bank, and that is the building that our law offices are located in, and my law firm has represented that bank for years.

Question. Could you briefly describe what your relationship is with Mr. Riady?

Answer. Well, he is——

Mr. LASSITER. Counsel, do you mean presently?

Ms. REMINGTON. At this time.

The WITNESS. Okay. He is an officer of a client of our law firm, and, you know, I had a relationship with him for all these years.

EXAMINATION BY MS. REMINGTON:

Question. Do you have a personal relationship as well as a business relationship?

Answer. You know, I think all my clients are my friends.

Question. Do you speak with Mr. Riady outside of business discussions?

Answer. Not recently.

Question. Were you ever personally employed by Mr. Riady, not through your law firm?

Answer. No.

Question. Does your law firm represent the Lippo Group?

Answer. Yes.

Question. For how long has your law firm represented the Lippo Group?

Answer. I believe it would be 4 or 5 years, something like that.

Question. Since 1992 or 1993?

Answer. Somewhere around in there. Now there could be representation earlier than that. I mean, I didn't check the record, but it would have been—from sometime in '84, through '97, there would have been periods of time through there.

Question. And when did you actually become involved in representing the Lippo Group?

Answer. I am not sure whether or not there was some representation, '84, '85, '86; we were representing the bank at the time. But '93, probably about in there sometime.

Mr. RAPHAEL. When you say the bank, you mean Worthen Bank?

The WITNESS. I'm sorry, Worthen Bank.

EXAMINATION BY MS. REMINGTON:

Question. Do you know an individual named John Huang?

Answer. Yes.

Question. And when did you meet John Huang?

Answer. Probably in around '84, '85, when he was a resident in Little Rock.

Question. What were the circumstances under which you met Mr. Huang?

Answer. He was an employee of the bank—Worthen Bank, sorry. Now, he was involved in the bank—I am not real sure, because there were a number of subsidiaries in the bank at that time, and I don't mean literally. There was a holding company and a bank and a number of subsidiaries. I am not sure which entity he actually got a paycheck from, but he was in the bank building associated with the bank, and that is where I first ran into him.

Question. And have you been in contact with Mr. Huang since 1992?

Answer. Yes.

Question. And what type of relationship have you had with Mr. Huang since 1992?

Answer. He was an employee of Lippo Group, and I communicated with him in relationship to our representation. And, you know, some, I guess, social occasions. I mean, I would have had lunch with him, or if he were in Little Rock or I were in Washington and he were in Washington.

Question. Between the period of 1992 and 1995, did Mr. Huang travel to Little Rock often?

Answer. I don't know. I mean, he could have come and not necessarily had business with me. I mean, he had other business in Little Rock, so I saw him some, but I have no idea—I mean, he could well have come without me knowing, but I wouldn't consider it frequent. The only times he came were the times I saw him; I wouldn't characterize it as frequent.

Question. Would you characterize how often you saw him during that period, 1992 through late 1994?

Answer. I mean, it would be a guess. I couldn't even say it was once a month. I mean, it would be hard to recall. Not regularly, by any means.

Question. Would you typically see Mr. Huang on Lippo Group business?

Answer. Yes.

Question. Let me go back to 1992. Were you aware of any political contributions made by James Riady during the 1992 Presidential campaign?

Answer. Not that I know of.

Question. Did you ever discuss political contributions with Mr. Riady in that 1992 time period?

Answer. His contributions?

Question. Any general discussions about political contributions?

Answer. No, I don't think so.

Question. And in 1992, was your relationship with Mr. Riady any different? Was it basically a business relationship?

Answer. Well, I think my recollection is that the firm was employed in '93. So in '92, I don't recall much relationship at all, other than bumping into him, you know, at, you know, if he was on a—you know, I worked in the campaign, everybody worked on the campaign, so other than just bumping into him, we had no—I knew him, but I am pretty sure we had no firm relationship at that point.

Mr. LASSITER. I would like to make sure the witness understood the question you asked about two questions back. You asked him if he discussed any political contributions with Mr. Riady, and I took that to mean any source.

EXAMINATION BY MS. REMINGTON:

Question. No; I'm sorry, any political—actually, my question was, did you discuss political contributions in general?

Answer. No.

Question. Contributing one way or another.

Answer. No, not that I recall.

Mr. LASSITER. Thank you. I just wanted to make sure he understood that.

The WITNESS. Thank you.

EXAMINATION BY MS. REMINGTON:

Question. And you mentioned that you worked for the campaign in 1992?

Answer. Yes.

Question. Would that be Clinton/Gore campaign?

Answer. Yes.

Question. What did you do?

Answer. I was just a volunteer. I served on an Arkansas finance council.

Question. Did you know Mr. Mark Middleton?

Answer. Yes, I did.

Question. And what was his position at that time on the campaign?

Answer. You know, he had something to do, I think, with fund-raising. He organized our council meetings, our finance council meetings, and I am not sure what other financial responsibility he had.

Question. What exactly did the finance council do?

Answer. Raised money in Arkansas, had a fund-raiser one time.

Question. During the 1992 campaign, I realize you were just a volunteer. Could you characterize how often you would see Mr. Middleton?

Answer. I think the major fund-raiser was in December of '91, and we met, I believe, on a Tuesday morning weekly for probably 4 or 5 weeks, prior to that, is really about the only recollection I have, and it was probably 20 people, and we would meet and just, you know, go over calls and cards and organization and that kind of thing. He was just in attendance at the meeting.

Question. Was Mr. Riady involved with the 1992 campaign?

Answer. No. You mean with the fund-raiser I was involved in?

Question. You mentioned you saw him around Arkansas?

Answer. I have no idea.

Question. Was Mr. Huang involved in the 1992 campaign?

Answer. My understanding is, they supported the President and were active in the campaign in some capacity. I don't have any idea what it was.

Question. Okay. And just to clarify, I had asked about Mr. Huang, and you said "they." Who were you referring to?

Answer. You just asked me, I thought, about Huang and Riady.

Question. Right.

Answer. Okay. Huang, I think—I mean, I know, just from reading the paper, and general information, that he raised money in the Asian community or something in '92, but I was not involved in that, had no communication with him about that, and wasn't involved in any way.

Mr. RAPHAEL. Just to be clear, I think Ms. Remington is asking you for your firsthand knowledge in 1992, I believe.

Ms. REMINGTON. Let me explain.

Mr. RAPHAEL. If your knowledge comes from reading the papers after that, you might want to say your knowledge comes from that source.

EXAMINATION BY MS. REMINGTON:

Question. I don't want any information you have read in the newspaper, obviously, but if you do have information from talking to other people which wouldn't be characterized as firsthand information, I would like that as well, and you can let me know where you have the information from.

Mr. LASSITER. Make sure you try to distinguish the difference of your source.

The WITNESS. I have no direct knowledge of them being involved in a campaign in '92. The secondhand knowledge that I have is from seeing them at some campaign event, and I can't even recall when or where.

EXAMINATION BY MS. REMINGTON:

Question. And, again, that is Mr. Huang and Mr. Riady?

Answer. Mr. Huang.

Question. You had earlier mentioned Mr. Huang being involved in Asian American fund-raising. Is your only knowledge of that from newspaper sources?

Answer. Yes.

Question. Do you know President Clinton?

Answer. Yes.

Question. When did you meet President Clinton?

Answer. I think the first time I met him was in '73, when we took the bar together.

Question. Did you have any contact with President Clinton while he was the Governor of Arkansas?

Answer. Yes.

Question. And what types of contact did you have with then Governor Clinton?

Answer. I knew him socially. We jogged together long before it was in the vogue. Let's see, I—you know, I would assist him on occasion with matters, you know, on a voluntary basis; you know, different matters that were pending in Arkansas, you know.

Question. Legal matters?

Answer. No, not really. I mean, you know, sometimes legal matters, sometimes not; but they were—you know, Grand Gulf was a huge problem. It was a nuclear plant that was being built, and that was an issue that I worked on. My background is business, corporate securities, and so I would—you know, if matters involved the

business community, we would often talk about those. And he was my law partner for 2 years.

Question. How often, if at all, have you been in contact with President Clinton since the election?

Answer. Which election?

Question. The 1992 election.

Answer. Okay. I am learning.

After '92, I was, you know, all of the—I think all of my contact with him has been casual, social, you know, bumping into him. I have run with him several times out of the White House. If I am up here on business, I may call. I used to call and, you know, go by the White House, you know, 5:30 or 6:00, you know, in the afternoon or something and visit. There used to be a lot of Arkansans there. There still are some.

But I don't think I have ever called on him in an official capacity. I may have been on the schedule in the morning for running or something like that, but I don't remember, you know, calling for an appointment and coming in, you know, on a regular scheduled visit.

Question. Did you do any work on the 1996 Clinton/Gore campaign?

Answer. Same thing.

Question. Limited to Arkansas?

Answer. Yes. Same counsel, same people.

Question. Let me go back to Mr. Huang. How often were you in contact with Mr. Huang from the period after the Presidential election until he began working at the Commerce Department, that happened in July, 1994?

Answer. During that period of time, he was an employee of the Lippo Group, and if I—I guess my contacts with him during that period of time would have involved, you know, confidential conversations relating to my work and his employment.

Question. I just want to know, would you talk to him or speak to him on a regular basis during that period?

Answer. I mean, if it is all—the majority of it was work, so do you want to know about the work-related phone calls or the non-work-related phone calls?

Question. I just generally want to know how often you would speak to him within that time period, both, including both.

Answer. I don't know.

Question. Could you characterize it as once a month or more than once a month?

Answer. The time frame is what?

Question. Right after the Presidential election.

Answer. '92?

Question. Through July 1994, when he began to work at the Commerce Department.

Answer. Generally, my work is transaction related, so there are times when, in representing clients, if there were activity going on, that I may talk a lot, and other times there were—you know, there would be lulls where I wouldn't talk at all. And I would generally characterize that as true with all my clients.

Question. Were you in contact with Mr. Huang socially during that same time period I described, from after the election until he went to work at the Commerce Department, in July 1994?

Answer. I would imagine, if we were in the same place—I mean, if he were in Little Rock or I were in Washington and we knew we were here, I may invite him to lunch or he may have dinner with me. It was rare. I mean, I would say it was, you know, probably less than 10 times, but it probably occurred.

Question. After the 1992 Presidential election, and before Mr. Huang's s appointment to the Commerce Department in July of 1994, were you aware that Mr. Huang was seeking a Presidential appointment?

Answer. Yes.

Question. And how did you become aware that he was seeking a Presidential appointment?

Answer. I think he told me.

Question. Do you recall what he told you?

Answer. I just recall that he asked me if I thought it was, you know, something he ought to do, and did I think he would be good and could serve the President and the administration, and I told him I thought he could.

Question. Did he tell you where he wanted to work?

Answer. No. I mean, I eventually learned he was at the Commerce—you know, was going to work at Commerce, but I don't recall where I learned that from.

Question. When did you become aware that Mr. Huang was seeking a Presidential appointment?

Answer. I wouldn't have any idea. Before he got the job in Commerce.

Question. Was Mr. Huang looking into Presidential appointments at other agencies, such as the State Department?

Answer. I am not even sure of the job he got at Commerce is a Presidential appointment.

Question. It is. It is unconfirmed; it is not a Senate confirmed appointment.

Answer. But, I mean, I can characterize that he was looking for a job up here, in the administration, or working either in some sort of area related to his background or in a political area—those two options.

Question. Did he tell you why he wanted to switch jobs from the Lippo Group to a government-related job?

Answer. I don't recall. I mean, I thought he wanted—he believed in the President, worked hard for him, was excited about the opportunity to involve Asian Americans, and he thought that his relationship with the President and his contacts in the Asian community could serve both well.

Question. What was your understanding at that time of Mr. Huang's relationship with the President?

Answer. He just knew him, you know, worked in the campaign, in '92.

Question. Do you know when Mr. Huang met the President?

Answer. No.

Question. Did you discuss with anyone in that period, between the 1992 Presidential election in July, 1994, when Mr. Huang took his position at the Department of Commerce—did you discuss the fact that Mr. Huang was seeking a Presidential appointment with anyone?

Answer. I think at some point Bruce Lindsey and I had a conversation about it.

Question. And what was discussed?

Answer. The fact that he was looking for—or that he was interested in working in the administration in some capacity.

Question. Do you recall if Mr. Lindsey contacted you specifically about that or if you contacted Mr. Lindsey specifically about Mr. Huang?

Answer. I don't think so.

Question. It just came up within a conversation?

Answer. A conversation.

Question. Do you recall if you mentioned it to Mr. Lindsey or whether Mr. Lindsey asked you about it during that other conversation?

Answer. No.

Question. And you mentioned Bruce Lindsey. How do you know Bruce Lindsey?

Answer. He was a member of my law firm for, intermittently, 20 years, and he is a friend of mine.

Question. So you both have a personal and former professional relationship?

Answer. Yes. He has been in and out of the law firm since the mid-seventies.

Question. And how often are you in contact with Mr. Lindsey?

Answer. It depends on whether he returns my phone calls. Now I mean, it is the same as my work; I mean, there are times when we may talk once a week, a couple of times a week; there are other times when, you know, we may go a month without talking. But he has always had excellent assistants, and, more times than not, my communication would be to his assistant—you know, "I am coming to Washington; if you want to eat dinner, let me know." I may never hear or I may hear.

Question. Did you ever discuss with—I'm sorry; during the same time period, '92 to '94, did you ever discuss with James Riady the fact that John Huang was seeking a Presidential appointment?

Mr. LASSITER. Is that a privileged conversation?

The WITNESS. I didn't. I didn't. Not that I recall.

EXAMINATION BY MS. REMINGTON:

Question. And did you ever contact anyone in the administration on Mr. Huang's behalf?

And let me clarify that. Just for the record, after the election and between July 1994, that same time frame, did you ever contact anyone in the administration on Mr. Huang's behalf?

Answer. Not that I recall.

Question. Do you have any knowledge of James Riady seeking a Presidential appointment in that same time frame?

Answer. No.

Question. Have you ever met any other members of the Riady family?

Answer. Yes.

Question. Which members have you met?

Answer. I have met his father.

Question. Is that Mochtri Riady?
Answer. Mochtar. I have met his wife.
Question. Eileen?
Answer. Eileen. His three children.
Question. Caroline?
Answer. Henry and—I am drawing a blank; there is a third. I met others as well. But not that I recall.
Question. Did you meet the other members of the Riady family while they were traveling in the United States?
Answer. Some of those I met in Little Rock, way back to '84 and '85.
Question. And where have you met others?
Answer. I don't recall. I mean, all of them have been to Little Rock.
Question. Have you traveled to Jakarta?
Answer. Yes.
Question. Was that on Lippo business or?
Answer. Yes.
Question. Document Bates numbered HHH 4569 is Exhibit 1, and Exhibit 1 is a July 22, 1993, letter from James Riady to John Huang. And I will let you look over that.
Answer. Yes.
[Buford Deposition Exhibit No. 1 was marked for identification.]

[Note.—All exhibits referred to may be found at end of the deposition.]

EXAMINATION BY MS. REMINGTON:

Question. I would direct your attention to paragraph 3, and your name is mentioned where it says, "I have received Doug Buford".
Do you know what this paragraph refers to? Were you traveling over to Jakarta in that time frame?
Answer. Sometime. I don't remember this date, but, yes, I was in Jakarta in that time frame.
Question. Was Mr. Huang there as well?
Answer. Yes.
Question. And was this a business trip?
Answer. Yes, it was in connection with our representation.
Question. And in paragraph 2 of the Exhibit 1, it says, "Please call me when you have time to talk about Grobmyer. Or, let me know where you can be contacted."
Do you know Mark Grobmyer?
Answer. Yes.
Question. And how do you know Mr. Grobmyer?
Answer. He is an attorney in Little Rock.
Question. Are you aware of him having any business with the Lippo Group?
Answer. No. I mean, I have seen him with them before, but I don't have any personal knowledge of what his relationship is with them.
Question. Have you ever discussed Mr. Grobmyer with James Riady?
Answer. I don't think I have. I mean, there may have been some causal comment about, Mark was here or Mark was there or something, but nothing of substance.
Question. Were you aware of any business Mr. Grobmyer was conducting with the Lippo Group or Mr. Riady?
Answer. No.
Question. As I mentioned before, Mr. Huang started working at the Commerce Department in July of 1994. Were you in contact with Mr. Huang while he was employed by the Commerce Department from July of 1994 through December of 1995?
Answer. Probably.
Question. What type of contacts would you have with Mr. Huang? I am looking for business contacts or personal contacts.
Answer. It would not have been business. Social—you know, coming to Washington; How are you doing? How do you like your job? Do you want to go to dinner? Do you want to go to lunch? He may have called me about similar things.
Question. How often do you travel to Washington, generally?
Answer. My practice varies. You know, there are times when I can be here, you know, two or three times a month, and there are times when I go a month or so without coming.
Question. I had asked you earlier to generally describe your relationship with Mr. Huang. Was there any change in your relationship while Mr. Huang—what your description of your relationship with Mr. Huang was—let me start over.

Could you generally describe your relationship with Mr. Huang while he was working at the Commerce Department?

Answer. Friend.

Question. Did you attend the 1993 APEC conference in Seattle? And APEC is Asian Pacific Economic Conference.

Answer. Yes. Yes, I did.

Question. Were you part of any Arkansas delegation which attended the APEC conference?

Answer. Yes.

Question. And could you generally describe what the Arkansas delegation was?

Answer. It was a group of businessmen, and I think it was led by the Governor. And beyond that, I don't know how to characterize it.

Question. What was the purpose of the delegation?

Answer. To try to explore trade opportunities and business opportunities for Arkansas.

Question. Did you participate in organizing the delegation?

Answer. Oh, I had no responsibility. I mean, I may have been aware of different events and all, but not really. I mean, as far as making arrangement for rooms or meetings or anything like that, no, but I was generally aware of what we were doing, you know, where we were supposed to go, who was going, that stuff, but I was certainly not in charge.

Question. Who invited you to attend as part of the delegation?

Answer. I don't recall. I think it was the Governor.

Question. And during the APEC summit, was there a signing of a sister state relationship between Arkansas and Jakarta, or Indonesia?

Answer. It seemed like it was a city deal. I don't recall. I mean, I don't even remember it. If the mayor was with us or not, I don't recall. I mean, I have some vague recollection of that, but I don't remember what it was. I didn't participate in it.

Question. Was Mr. Riady involved in organizing the Arkansas delegation for the APEC conference?

Answer. Not through me.

Question. Do you have any knowledge of what his involvement was?

Answer. Well, there were a group of Indonesians that came to Little Rock, Asian—Indonesian businessmen that came to Little Rock, and then they, too, attended the conference with the Arkansas delegation. And that may have been that sister—that may have been what it was. I recall attending a reception at the Governor's mansion the day before we left, and the Indonesians were there.

Question. You said that he did not organize that through you. Do you know who assisted him in organizing that?

Answer. My recollection is, the Governor's office made those arrangements with—so if he were involved, I would assume it was from the Governor's office.

Question. When you attended the APEC conference, would that have been in your capacity as a businessman in Arkansas or Little Rock?

Answer. At the time, I was in line for the presidency of the chamber, so it, you know—I mean, I had a lot of capacities. I am not sure how—why the Governor picked me or who invited me or what criteria. It could have been because of my chamber activity.

Question. What types of activities at the APEC conference was the Arkansas delegation involved in?

Answer. Well, I don't know. I didn't have any individual meetings with anybody or—but I am sure there were others that did. I mean, I just attended a reception that I think our delegation hosted, and the official functions. I mean, I didn't have any—personally have any meetings, but I am sure others did.

Question. Did the President attend that reception?

Answer. Yes, he did.

Question. Did you see Mr. Riady during the APEC conference?

Answer. Yes.

Question. Do you recall whether Mr. Riady met with the President during that conference?

Answer. There was—the President came to the reception, and there was a room about this size, and there was probably 70 or 80, 100 people in the room. They were in the room at the same time. Other than that, I don't know.

Question. Document A, Bates AIDC 005381 through 005383, will be Exhibit 2. Exhibit 2 is an October 28, 1993, letter from Joseph Giroir to James Riady, and I will give you an opportunity to review that. I know there—isn't your document but I had some questions.

Answer. Okay.

[Buford Deposition Exhibit No. 2 was marked for identification.]

EXAMINATION BY MS. REMINGTON:

Question. Do you know Joseph Giroir?
Answer. Yes.
Question. And how do you know Mr. Giroir?
Answer. He is an attorney in Little Rock.
Question. Could you briefly describe what your relationship with Mr. Giroir is?
Answer. He is several years older than I am, and he began his practice in Arkansas with the Rose Law Firm, and we have been on the opposite sides of tracks for 25 years.
Question. Do you have a personal as well as business relationship with Mr. Giroir?
Answer. No.
Question. Strictly business?
Answer. Well, I mean, if he is in town, I wouldn't turn my back if I saw him. I have never been in his home or him in my home or anything like that.
Question. Do you know whether Mr. Giroir had a relationship with James Riady, business or otherwise?
Answer. Time frame?
Question. After the election, the 1992 election, to the present?
Answer. Do I know whether he had a business relationship with Riady?
Question. Yes.
Answer. No. Now you are asking me to exclude what I have read in the paper and see in the magazines.
Question. Yes.
Mr. LASSITER. But to include what he may have heard; correct?
Ms. REMINGTON. Correct.
The WITNESS. Include what I have heard?

EXAMINATION BY MS. REMINGTON:

Question. Yes.
Answer. I have heard he had a business relationship with Riady.
Question. Just around town?
Answer. Yes, just around town. And I heard he represented himself as having a business relationship with Riady.
Question. Were you ever in contact with Mr. Giroir about the Riadys or Lippo Group from 1993, when you began representing them, to the present?
Answer. Yes.
Question. What types of issues would you be in contact with Mr. Giroir about?
Answer. Possibly logistics. You know, if somebody was coming to town or he may—you know, they are 15 hours ahead, and you can see here, that communication you can see is an indication in Giroir's letter that there are only like 2 hours that they are awake and we are awake, and he may convey a message that James was coming to town and needed to see me or wanted to meet with somebody in the firm, or was something like that. And then I probably had conversations about the logistics of this trip at some point. And then we can fast forward to '94, if you are ready to get into that.
Question. Before we go to '94, when you say "this trip"?
Answer. This one it is referring to in this letter.
Question. It refers to several trips. Is it the Seattle trip?
Answer. The Seattle trip. That is the only one I would have been concerned about.
Question. And you were about to move on to 1994?
Answer. You asked me how many conversations I had from '92. So other than logistics and stuff, I don't think I have had any substantive conversations with him, but I did have conversations with him in '94, in connection with the APEC trip to Jakarta.
Question. We will talk about that later.
Answer. Okay.
Question. I will go back to Exhibit 2.
Answer. I was hoping you were going to skip that.
Question. Exhibit 2 refers to the sister state relationship that I had talked about earlier.
Answer. Yes.
Question. And did you have anything to do with the planning of the sister state relationship?

Answer. You know, I recall something about it, but not really—I mean, I could have been involved in some of the logistics, but I have no recollection of it. I certainly had no responsibility for it.

Question. The Exhibit 2, the letter from Mr. Giroir, states that—referring to the President's attendance at the signing, and it said that, "Mack"—who I believe is Mack McLarty—"and Mark Middleton indicate it will be a determination made by the director of national security and that the human rights controversy surrounding East Timor may be an impediment that will have to be overcome. I note Doug Buford is speaking with Bruce Lindsey about this this week."

Do you recall speaking to Bruce Lindsey about that issue?

Answer. No.

Question. And the next——

Answer. You are talking about Timor and the impediment to the President.

Question. Did you speak to Bruce Lindsey about the President attending any of the Arkansas delegation events?

Answer. I remember talking to Bruce about whether or not the President was going to be at the Arkansas delegation reception, but I had no knowledge of this—any of these impediments or security matters or any of that, nothing about the details.

It would have been whether or not I was going to see Bruce, whether or not I was going to see the President while I was there, letting him know I was going to be in attendance, looking forward to seeing him. And I did, like, have breakfast with Bruce and his wife while I was there.

Question. Did you discuss——

Answer. And dinner, as a matter of fact.

Question. Did you discuss your conversations with Mr. Lindsey with Mr. Giroir?

Answer. Not that I recall.

Question. Just trying to determine how Mr. Giroir knew that you were speaking with Bruce Lindsey.

Answer. I don't know that he did.

Question. And the next sentence notes that John Huang has spoken directly to the President and the President has indicated, in general, he is agreeable to do it.

Were you aware of John Huang speaking to the President about the APEC summit in 1993?

Answer. No.

Question. Do you know Mack McLarty?

Answer. Yes.

Question. How do you know Mack McLarty?

Answer. I met him on the steps at the library at the University of Arkansas in 1967, probably, and we have been friends ever since, and my law firm has represented him and his family for however long I have been practicing.

Question. And did you remain in contact with Mr. McLarty when he left Arkansas to go to the White House?

Answer. Yes.

Question. Did you speak with Mr. McLarty about the 1993 APEC conference, the one referred to in Exhibit 2?

Answer. Not that I recall.

Now I still represent him, and we talk regularly.

Question. But no specific conversation?

Answer. Not that I recall. I mean, it could have come up, but I don't have any recollection of it.

Question. Did you speak with Mr. Middleton, Mark Middleton, about the 1993 APEC conference?

Answer. During that period of time, from January of '93 until—when was this?—October, November, I was involved in personal representation of a number of people in the White House with regard to their ethics qualifications.

McLarty's family assets are significant, and we were working on recusal letters, blind trusts, management trusts, and I had a lot of responsibility for trying to set up acceptable means for his family businesses to continue without his participation and negotiating with ethics and White House counsel, and, you know.

So I was in contact, and Mark was working for Mack at the time, so there were numerous conversations and numerous visits to the White House, where I would be here and assisting them in those matters, as well as Bruce and Nancy Hernreich and David Watkins and a number of other people that were here at that time. My firm did a lot of that work, as you might expect.

So, you know, when Mark and I had conversations, but it was generally—I mean, other than, you know, him communicating back and forth between Mack, conveying

messages to Mack, or me telling things from Mack, it could have come up in conversations I had with them.

Question. Did you have anything to do with the actual vetting process of individuals?

Answer. For what?

Question. For positions at the White House.

Answer. I have been called by the FBI several times.

Question. But the President never asked you to assist in vetting?

Answer. No, coming up here and doing vetting and stuff; no; never got to spend the night in Blair House.

Question. And you may have answered this, but were you aware of the NSC, or National Security Council, objecting to the President attending any ceremony with the Arkansas Indonesian——

Answer. I was generally aware these things are complicated, that meeting, you know, where he went, at an APEC conference. And this was all new to me, but I was learning that, you know, there were a lot of people that had to be involved in making decisions, it was not a simple matter of scheduling; that when he was there, if he, you know, wanted to go to lunch with the Emperor of Japan or something, that it had implications way beyond just the two of them getting together; and if he met with this country, then that country and this country and this country all had reactions. And I was just generally aware of the incredibly difficult time and all the people that had to get involved in getting anywhere, and that was about all of my knowledge.

Question. Did you attend the 1994 APEC conference in Jakarta?

Answer. No.

Question. Did you assist in planning for an Arkansas group to attend the 1994 APEC conference in Jakarta?

Answer. I can answer those questions if I can go to the restroom first for 2 seconds.

Ms. REMINGTON. Sure.

[Recess.]

EXAMINATION BY MS. REMINGTON:

Question. Back on the record. I think before we went off, I had asked whether you assisted in the planning for an Arkansas group to attend the 1994 APEC conference in Jakarta.

Answer. Yes and no.

Question. Can you explain that?

Answer. Yes. I was not involved at all in the preparation of that trip. At some point, I received an invitation from Mr. Giroir's office, I recall, or some communication—and it seems like it was a fax or something—talking about an Arkansas delegation, repeating, or going to Jakarta, and my recollection is that at some point I saw a list of people that had been invited or were to be invited, or something. But I did not participate in the preparation of that list.

Question. I will show you a document Bates numbered AIDC 005142 through 5143. It is Deposition Exhibit 3. And Exhibit 3 is a September 26, 1994, letter from Joseph Giroir to Mr. And Mrs. Paul Berry. I will let you review that.

Answer. That looks like something I received.

[Buford Deposition Exhibit No. 3 was marked for identification.]

EXAMINATION BY MS. REMINGTON:

Question. Okay. Were you aware, before you received a letter similar to Exhibit 3, that the Lippo Group or the Riady family was organizing a group to go to the Jakarta APEC?

Answer. I knew it was being discussed. I don't recall how or when, but I was probably aware of something.

Mr. RAPHAEL. For clarification, did you receive this letter as addressed to Mr. and Mrs. Paul Berry?

The WITNESS. No.

EXAMINATION BY MS. REMINGTON:

Question. A letter similar to Exhibit 3?

Answer. I saw a letter similar to that, that is consistent with my earlier recollection that I saw some correspondence. It was like an invitation from Giroir, and it was—directed people to Poe Travel, I recall, and those arrangements—he was making those arrangements.

Question. Were you ever asked to assist in the organization of this Arkansas delegation?

Answer. By?

Question. By anyone?

Answer. Not that I recall. I mean, I think I got this and responded to it.

Question. Was it your understanding that Mr. James Riady was involved in organizing a group of Arkansans to go to the 1994 APEC?

Mr. LASSITER. I object to the question if it involves a question that involves attorney-client privilege.

The WITNESS. I got this letter, and it says the Riady family. I know I knew about it at that point.

EXAMINATION BY MS. REMINGTON:

Question. Independent of receiving a letter similar to Exhibit 3, did you understand that James Riady was involved in organizing a group of Arkansans to attend the 1994 APEC?

Mr. LASSITER. I now have the same objection I just registered. I advise you not to answer the question if it involves an attorney-client communication.

Ms. REMINGTON. Just so we are clear about what you would be claiming as attorney-client privilege, would it be any communication whatsoever between James Riady and Mr. Buford?

Mr. LASSITER. Any communication, of course, in his representation of the Lippo Group.

Ms. REMINGTON. For the purpose of seeking or obtaining legal advice on a matter?

Mr. LASSITER. Yes, or for the purpose of having discussions with Mr. Riady in that capacity.

Ms. REMINGTON. I would just put on the record our understanding, and as I had told you earlier, the legislative body of the House of Representatives does not have to accept a claim of attorney-client or work product privilege.

However, generally, during this investigation, we have honored those claims. But our understanding of it, of an attorney-client privilege, would be a communication made in confidence to an attorney by a client for the purpose of seeking or obtaining legal advice.

Mr. LASSITER. Then I think we can work with that definition.

Mr. RAPHAEL. Understanding that privilege is the client's to waive and not the attorney's.

The WITNESS. Right. And the difficulty is, he is not here, and I couldn't have anticipated the question, so I don't have any permission to get outside of whatever he considers privilege.

EXAMINATION BY MS. REMINGTON:

Question. Did you provide any legal advice to Mr. Riady about the 1994 APEC summit?

Mr. LASSITER. Same objection.

EXAMINATION BY MS. REMINGTON:

Question. Did you ever discuss the 1994 APEC summit with Mr. Riady in front of anyone, with third parties present?

Answer. Not to my recollection, no.

Question. Did you ever discuss the 1994 APEC summit with Mr. Riady at all?

Mr. LASSITER. Same objection.

Ms. REMINGTON. I guess I am not understanding.

Mr. LASSITER. I am simply objecting to it within the boundaries of the attorney-client issue as you defined it and Mr. Raphael defined it a moment ago.

As to discussions with third parties that aren't privileged, certainly you can ask about that.

Ms. REMINGTON. My problem is, if you make the objection but there was no understanding of attorney-client privilege or if it was a casual conversation, a personal conversation, I would think that Mr. Buford could still answer that. So although the objection is made, I think he would have an understanding of whether or not it could be answered or not.

Mr. LASSITER. Why don't Mr. Buford and I step out a second, and I will ask him that, and maybe he will be able to answer the question.

[Recess.]

Mr. LASSITER. Why don't you go back through your questions in terms of whether or not he had discussions with Mr. Riady prior to receiving this letter.

EXAMINATION BY MS. REMINGTON:

Question. I asked you earlier, did you have any discussions with Mr. Riady about the 1994 APEC conference?

Answer. Yes. I mean, the time frames. I mean, I don't know if it is before or after this letter, or whenever, but, I mean, I was aware—at some point I was aware. I may not have been aware until I got this letter.

Question. Aware of?

Answer. Of this proposed trip.

Question. And did you discuss the proposed trip with Mr. Riady?

Answer. Eventually, after I was aware of this letter.

Question. And if you are able, what did you discuss?

Answer. Well, I told him I wasn't coming.

Question. And did he respond?

Answer. Yes.

Question. What did he say?

Answer. He was disappointed.

Mr. LASSITER. Let me make clear for the record why I did not object at that point. Mr. Buford had been invited in his capacity of his work with the Chamber of Commerce and not as a legal adviser.

The WITNESS. Right. The conversation that I had with him was whether he needed me there or whether I was coming—I was invited on this letter because, I thought, because of the Chamber of Commerce and my participation in the business community in Arkansas.

When I found out that I was not going to go, I notified him I was not going to go and asked him if he had—if we had work to do there, and he said I didn't have to, or no, and I said, "Well, I am not coming then," and he just expressed disappointment about the fact I wasn't coming.

Question. And why didn't you go?

Answer. Sometime during this process, I was contacted by Bruce Lindsey, I think, and he asked me if I had seen a list of people or was aware of people going to the APEC meeting in Jakarta, and I said that I was aware of it but I wasn't part of organizing it, and that I had gotten an invitation from Giroir, and that I assumed that Giroir was organizing, or Tucker, or somebody else. And he told me that there was concern at the White House about, you know, a number of people from Arkansas making the trip to Jakarta, and they didn't think it would look good, and that, you know, it would cause press inquiries or something. And I said I didn't understand that.

I mean, you know, we wanted to go, we thought we had—you know, we spend, you know, millions of dollars making economic development opportunities, we go to foreign countries, we visit Japan and all that, and this was an opportunity to be identified with the current administration at an important economic conference, and we wanted to go.

And that conversation went on, and, you know, he again—I think we adjourned that conversation and maybe had another conversation, or he said, let me go back and find out what the objections are, what the problems are.

And eventually, in the course of that, he came back and said, you know, we don't think it is a good idea, I can't stop you from going, but we would rather you all not go. And I said, well, I will communicate your feelings to, I think, Giroir. I mean, I think I communicated it to Giroir.

I had some conversation and passed on that they—that the list—that that big a delegation, the White House didn't think it was a good idea. And I either had that conversation with Giroir or—when did Huang go to Commerce?

Question. July of 1994.

Answer. And this was?

Question. APEC was in November of 1994.

Answer. So it must have been Giroir. I had a conversation with Giroir about the list. And there was some communication about, you know, who needed to go or what different people were going.

And at some point I got information back that there were like five or six people that really felt like they wanted to go, in spite of the objections, and I don't remember who they were, but there was a short list that, like, Energy or something, that had something going on there.

I remember having a conversation with the guy at the University of Arkansas who was trying to get an endowment for the Fulbright College, and he wanted to go because he had been in negotiations with the Riady family about a contribution with the university, and I can't remember, but there was something about that.

I communicated that back to Lindsey, and I said, look, cut the list back, and here is who is on the list now, and here is the reasons that they think they want to go. And we talked about it, and he asked me if I was going to go, and I said I would like to go, and he said—I mean, we talked about that and whether it was a good idea for me to go in my capacity as chamber representative, you know, and he eventually said no.

Question. So he asked you not to go?

Answer. Yes.

Question. Was the Lippo Group or Riady family paying for a group of people to attend, this original group, to attend the APEC conference?

Answer. You know, this was the extent of my knowledge. I mean, it said here that they invite you as a guest to attend and they are going to pay for your airfare.

Mr. RAPHAEL. You are looking at Exhibit 3 when you say that?

The WITNESS. Yes. And I don't know who was paying for that, other than the knowledge that I got from that letter right there.

EXAMINATION BY MS. REMINGTON:

Question. Did you ever have any discussions with Mr. Riady about who would be paying for——

Answer. No. I called Poe Travel.

Question. And what did they tell you?

Answer. They told me I could go and that they would send me a ticket, but they didn't tell me who was paying for it.

Question. In 1994, what was your understanding of what the Lippo Group or Riady family was doing in connection with the conference?

Answer. I had no knowledge of it.

Question. Were you in contact with Marsha Scott about the 1994 APEC conference?

Answer. Not that I recall.

Question. Were you aware of anyone else contacting Ms. Scott about the APEC conference in 1994?

Answer. I don't recall. I mean, I have not reviewed anything, notes or anything. I don't have any recollection of discussing anything with her about it.

Mr. LASSITER. Mr. Buford, a moment ago when you were on the conversation with Mr. Lindsey, counsel asked you first at the deposition to bring it to her attention if that was the gist of the conversation, rather than a detailed recital of it, so perhaps you should make clear for the record whether your testimony was a detailed recital or the gist.

The WITNESS. It was the gist. I don't have any recollection of what specifically was said.

Ms. REMINGTON. Exhibit 4 would be a document Bates EOP 020359, and Exhibit 4 is a September 21, 1994 memorandum from Mr. John Huang to Joe Hanna, and I will give you an opportunity to review that.

The WITNESS. Okay.

[Buford Deposition Exhibit No. 4 was marked for identification.]

EXAMINATION BY MS. REMINGTON:

Question. Have you ever seen this memorandum?

Answer. Not that I know of.

Question. Do you know Joe Hanna?

Answer. Yes.

Question. Who is Joe Hanna?

Answer. He was an employee of the Lippo Group.

Question. Do you know if he also goes by Jose Hanna?

Answer. I think his name—he is Brazilian, and I think his name is probably Jose.

Question. Have you ever personally met Mr. Hanna?

Answer. He was an employee of the Lippo Group, and I dealt with him in a professional capacity.

Question. You had mentioned earlier that you had seen a list of names. Was it similar to this list of names in Exhibit 4?

Answer. Yes.

Question. Do you recall where you saw that list of names?

Answer. I recall it was faxed to my office.

Question. By whom?

Answer. My recollection is, it came in connection with this invitation.

Question. Of Exhibit 3?

Answer. Yes, of the sample of the invitation you have addressed to Paul Berry.

Question. Is this similar, Exhibit 4—I'm sorry; is Exhibit 4 similar to the list of names that you spoke with Bruce Lindsey about?

Answer. Yes.

Question. And does—this memorandum is addressed to Mr. Huang. Does this refresh your recollection as to whether you may have discussed this at all with Mr. Huang?

Answer. No.

Question. Number 15 on the list is Webster Hubbell. Do you know why he was on the list?

Answer. No.

Question. In the course of trying to cull this list down, did you ever ask anyone why Mr. Hubbell was on the list of names to go?

Answer. No.

Question. At this time in 1994, were you aware of Mr. Hubbell working with the Lippo Group?

Answer. No.

Question. Other than press accounts, in 1994, did you ever become aware that Mr. Hubbell was working for the Lippo Group?

Answer. No.

Question. When did you first learn that Mr. Hubbell was working for the Lippo Group?

Answer. I have never learned that, other than press accounts.

Question. Did you ever speak with Bruce Lindsey about where Mr. Hubbell was working?

Answer. Yes.

Question. What did you discuss?

Answer. In discussing the list with him, he asked me why Webb was on the list, and I said he may be doing work for the Lippo Group, I don't know.

Question. And where did you get the impression he may have been doing work for the Lippo Group?

Answer. Webb called me, after he left Justice, and we were talking, I don't recall when, but at some point after he left Justice, and, you know, we were talking about what he was doing and where he was going to work and stuff like that, and he asked me—told me he was doing consulting work and asked me if I thought the Lippo Group would be able to use him or whether he could work for them or not.

Question. And what did you tell him?

Answer. I told him I didn't know.

Question. Did you put him in touch with anyone?

Answer. I passed that request on, I believe, to John Huang. He was in Los Angeles at the time.

Question. Did you have any other discussions with Mr. Hubbell, any further discussions?

Answer. No, not about that.

Question. And what did you tell Mr. Huang about Mr. Hubbell at that time?

Mr. LASSITER. I am going to object to that based on the attorney-client privilege. It was during the time Mr. Huang was employed as an officer of the Lippo Group. But let me talk to you about that a little bit. I intend to contact his lawyer.

Ms. REMINGTON. Whose lawyer?

Mr. LASSITER. Huang's attorney, to find out if he considered that a privileged communication, and if he does not, then we will reply to that question.

And just let me talk to him about how we might do that. I anticipate we are not going to be able to do that today. We have tried to call his attorney; Doug has tried to contact him. And when we reach him, if he indicates that Mr. Huang did not consider that to be a privileged communication, can we supplement the deposition by Mr. Buford answering the question by phone or give you an affidavit under oath or something?

Ms. REMINGTON. Before we close the deposition, I will call our chief counsel and ask about what he wants to do about that.

The WITNESS. I may be able to reach him on the phone if you want me to try to reach him now.

Ms. LASSITER. That is fine if you would like to.

The WITNESS. Do you want to skip this and come back?

Mr. LASSITER. The answer is very brief, so you might want to just go on, but I do not feel comfortable in letting my client answer the question without hearing Mr. Huang's answer.

Ms. REMINGTON. Okay. We can come back to that towards the end of the deposition.

The WITNESS. Okay. It is not going to be very exciting. I tell you what, I can briefly call my office and try to get in touch with his lawyer, and when they reach him, they can call my telephone.

[Recess.]

EXAMINATION BY MS. REMINGTON:

Question. Back on the record, after Mr. Buford had a conversation with Mr. Huang's attorney.

Can you answer the question as to the content of your conversation with Mr. Huang?

Answer. Yes. I told him that—and I think this was in connection with another conversation. I mean, it is somewhere after Hubbell called me. I told John that Hubbell had asked me about the possibility of doing work for the Lippo Group, and that I was passing that on to him for whatever purpose he felt appropriate, but that I wanted him to understand that that was a personal conversation with Webb, that I had not had any communications with anybody else about it, nobody at the White House had contacted or was making any effort through me to assist Webb, and that if he chose to convey it on to the Lippo Group, that I wanted them to be sure and understand that I was communicating on behalf of Webb Hubbell, my friend and law partner, I mean, and law student, and lawyer, from Little Rock, and that was all.

Question. And why did you clarify that?

Answer. I wanted to make sure that, because of the frequent contact I had with Lindsey and with the President and other people, that nobody would confuse the message, and I knew that it was going to go through John to somebody else, and I just wanted him to be aware that there was—nobody would be confused, that Webb called me as a friend, and that I was passing on information as a friend.

Question. Did you think that there would be a different response if they thought the request was from the White House?

Answer. I didn't know, but I didn't want to be party to any confusion, I mean.

Question. Do you recall when Mr. Hubbell called you?

Answer. No.

Question. He announced—just to help you with the time frame, he announced his resignation on March 14, 1994; didn't actually leave the Justice Department until April 8, 1994.

Do you recall if he called you after he had already left the Justice Department?

Answer. I think he was in Mr. Miller's office, and I think at the time, I remember him giving me a phone number or something, how to reach him, just, you know—I mean, it was more just an informational call, as I recall. I don't remember—I mean, he may have had business on his mind when he called. I thought he was just calling to talk to me about where he was and how to reach him and what he was doing.

Question. And from your last question, your last answer, did you know Webb Hubbell before?

Answer. Yes.

Question. Before he went to Washington?

Answer. Yes.

Question. And what was your relationship with Mr. Hubbell?

Answer. He and I were—went to school together for 7 years. I mean, I knew him as an undergraduate and a graduate. We were in the same law school class, law review together. We were friends.

Question. Was the conversation with Mr. Lindsey about the APEC conference, was that the only time you discussed Mr. Hubbell's employment with Mr. Lindsey?

Answer. If you recall, at the time, I was asked why Webb was on the list, and I said, based on this conversation I had with Webb, that he could possibly have been doing work for Riady. But I didn't know; I had no knowledge.

After the conversation that I had with John Huang, where I passed the information on, I don't recall having a conversation with anybody about Webb's employment.

Question. Was that Mr. Hubbell's employment in general or employment with the Lippo Group?

Answer. With the Lippo Group.

Question. Are you familiar with a company named Hong Kong China, Limited?

Answer. I believe it is part of the Lippo Group, but I am not sure.

Question. Do you know what type of business Hong Kong China, Limited, engaged in?

Answer. No.

Question. Have you ever come to learn what type of work Mr. Hubbell was doing for the Lippo Group?

Answer. No.

Question. When did you first become aware that Mr. Hubbell had legal problems with his former law firm, the Rose Law Firm?

Answer. My law firm represented Webb Hubbell in connection with matters as early as January of '93, so anything that I learned after January would have been in connection with my law firm's representation.

Question. And Mr. Hubbell retained your firm in——

Answer. No, no, not Mr. Hubbell. We did not represent Mr. Hubbell. We represented other people in connection with matters related to.

Question. Matters related to Mr. Hubbell?

Answer. The Rose Law Firm.

Question. I think we are cross talking here. Can we get that in one sentence?

Answer. Yes, yes.

Question. Wright, Lindsey & Jennings represented the Rose Law Firm in matters relating to Mr. Hubbell?

Answer. No. My law firm represented clients who were involved in matters involving the Rose Law Firm and Webb Hubbell's problems with that law firm.

Do you want to go off the record a minute and I can help you out?

Ms. REMINGTON. Sure.

[Discussion off the record.]

EXAMINATION BY MS. REMINGTON:

Question. Did you have any discussions about Mr. Hubbell's legal problems or billing disputes with anyone at the White House before Mr. Hubbell announced his resignation from the Justice Department on March 14, 1994?

Answer. No.

Question. Were you aware before March 14, 1994, that Mr. Hubbell was planning on resigning from the Justice Department?

Answer. No.

Question. Did you have any conversations with Jim Blair about Mr. Hubbell's legal problems or billing disputes with his law firm before Mr. Hubbell announced his resignation?

Answer. No.

Question. Did you ever discuss with Mr. Hubbell his legal problems or billing dispute with the Rose Law Firm before March of 1994?

Answer. No.

Question. During the spring of 1994, did you have any discussions with anyone at the White House about helping Mr. Hubbell to find work?

Answer. No.

Question. Were you aware of—in mid to late 1994, were you aware of Mr. Hubbell traveling to East Asia to meet with the Lippo Group?

Answer. No.

Question. Were you aware of him traveling to East Asia at that time?

Answer. No.

Question. Let me go back to Exhibit 4, which is this memorandum, which we began talking about some time ago.

Answer. Okay. All right.

Question. And if we can just go through some of these names, and you said you had discussed with someone why these people might be going?

Answer. No. I think that what happened was, they—in the conversation with Bruce when he identified they had a problem with this big a delegation going, I conveyed that back, I believe, to Giroir, and at that point there were—I don't think I have—I did not sit down and go through this list and say who is going, who is not, who is going, why would they go.

The next thing I remember is a conversation back, I guess, from Giroir, saying they have agreed to cut down the list, or the list has been cut down, we think these five or six people ought to go.

Question. Okay.

Answer. And here is why they ought to go.

So that the only discussion I had about anybody about why they were going is the people I was told back about and Bruce asking me why Hubbell was on the list. Those are the only conversations I recall about any of these people. But I know them all.

Question. Do you know Paul Berry?

Answer. Yes.

Question. How do you know Paul Berry?

Answer. He was quarterback of my fraternity's intramural football team, and a good one.

Mr. LASSITER. Phi Alpha?

The WITNESS. Phi Alpha.

EXAMINATION BY MS. REMINGTON:

Question. Do you conduct any business with Paul Berry at this time?

Answer. No.

Question. Are you aware of Paul Berry having any business with the Lippo Group in the 1995, 1996 time frame?

Answer. No.

Question. Are you aware of Paul Berry having a relationship with James Riady in the 1993 to the present time frame?

Answer. I mean, I know they know each other, I don't have any knowledge of any business relationship.

Question. Document Bates numbered EOP 030679 is Deposition Exhibit No. 5, and Exhibit 5 is an undated memorandum from Bruce Lindsey to Mack McLarty and John Podesta regarding: Arkansas delegation to APEC. And I will give you an opportunity to read that.

Answer. Okay.

[Buford Deposition Exhibit No. 5 was marked for identification.]

EXAMINATION BY MS. REMINGTON:

Question. In that Exhibit 5, Mr. Lindsey writes that he spoke with John Tisdale and you about the Arkansas delegation to the APEC conference. And we discussed earlier that conversation. Were you aware that Mr. Tisdale had spoken with Mr. Lindsey?

Answer. I think we were on the same call.

Question. Was it a conference call?

Answer. It was in my office, yes.

Question. How was Mr. Tisdale involved in the APEC conference?

Answer. He went to Seattle with us. He was a part of that delegation. He is my law partner, and he probably was assisting in negotiating—I mean, if the White House was concerned, if Bruce was concerned about the list, and he had been charged with responsibility to communicate to me to try to stop this delegation or advise us that they didn't want us to go, then I would have consulted John about it, and Bruce may have—I mean, that may have been how I learned of Bruce's concerned.

John has a similar relationship with Bruce than I do. We are close personal friends; John does personal work. I mean, our law firm still represents Bruce, and John has responsibility for that work, so he would have been—I would have appealed to him for help, and we would have—usually, a lot of times when we talk to Bruce, you know, if I am on the phone with Bruce, since he is so hard to get, I will call John or buzz him and say, I got Bruce if you need him, and we share that, since he doesn't always return our phone calls.

Question. Was Mr. Tisdale also involved in the conversation with Mr. Giroir, about whittling down the list?

Answer. I still don't have any recollection of me participating in that whittling down, so even reading this memo makes me think that—I mean, even though Bruce says that I negotiated the revised list with Riady, I don't think that—I don't know where he got that idea. I don't have any recollection of having any conversations with Riady about that, except in connection with my coming, when I talked to him, really to notify him that I was not coming, because Giroir was the one that I thought was responsible for doing all of this.

Question. Do you know if Mr. Lindsey spoke with Mr. Giroir?

Answer. I don't have any idea.

Question. In the second paragraph of Exhibit 5, Mr. Lindsey wrote that he, meaning you, believes his presence will help to control the group.

Answer. I don't know. I hope he thinks he was a reasonable person and would—you know, I never understood their concern for why we should have been there in the first place.

Mr. RAPHAEL. I would note for the record the word "control" is in quotes in the document.

Ms. REMINGTON. Yes.

The WITNESS. I don't know what he meant by that.

EXAMINATION BY MS. REMINGTON:

Question. At the end of the memorandum, Mr. Lindsey had noted that James iady and his father wanted to visit briefly with President Clinton. Were you aware ; that time that Mr. Riady wanted to meet with President Clinton?

Answer. I don't have any recollection of being the source of that information.

Question. Do you know whether Mr. Riady met with President Clinton during the PEC conference?

Answer. No, I don't. Mr. Riady being James Riady.

Question. James Riady.

Answer. Okay.

Question. Apart from this APEC conference, and other than press accounts, are ou aware of any other meetings between James Riady and President Clinton?

Answer. Other than?

Question. Press accounts?

Answer. Other than press accounts? Other than which meetings? Other than the PEC meeting when I was in the room with them together?

Question. Right. I am talking more of a—not a group meeting where there are undreds of people present, but a small meeting for the purpose of just meeting ith Mr. Riady.

Answer. I have some recollection of he and his family having their picture made i the Oval Office or something like that one time. I think it was some—I can't re- iember who told me or how, but I don't have any recollection of ever being involved n setting up any appointments or anything like that. It may have been mentioned o me by Mark Middleton or something, in a conversation that I was having in con- ection with Mack or something, that he was there or had been there or something. ut other than that, no.

Question. Was Mr. Middleton aware that you worked with the Riadys?

Answer. Yes.

Question. And you understood that Mr. Middleton knew the Riadys as well?

Answer. He worked for Mack. I mean, I think he—yes.

Question. It was your understanding?

Answer. Yes, yes.

Question. I am just going to go through some meetings, and I realize there have een press accounts with these meetings, but if you have any other knowledge, ther than press accounts, let me know.

Were you aware of a meeting which the President had with Mr. Riady in late une 1994, and that was shortly before Mr. Huang began working at the Commerce epartment in July?

Answer. No, no. I don't have any recollection. I really don't have any recollection f any meetings with Riady and anybody in the White House, except that recollec- ion that he—that his family—I mean, the only reason I remember is, it is when e had his family's picture made, and I don't know that ever happened, but it was omething about his family.

Question. You mentioned that Mr. Middleton may have mentioned that Mr. Riady as in the White House. Actually, did Mr. Middleton ever mention to you?

Answer. It could have come up in a conversation. That would have been a logical ource of information, because Mark and I talked a lot during that period of time n connection with my work for Mack, and, you know, he would mention people from rkansas or connected to Arkansas that had been there.

You know, he would not—it would not be uncommon for him to say so-and-so ame through the other day, or I gave so-and-so a tour, or I talked with so-and-so. mean, they were—at that time, they were kind of dislocated Arkansans and they ould like to see a friendly face.

Question. Did Mr. Middleton ever mention to you that Mr. Huang visited him at he White House?

Answer. No, I don't know that he ever mentioned that he visited with him. I nean——

Question. That he saw Mr. Huang?

Answer. He talked with Huang. I mean, I knew Huang and he talked.

Question. And were you aware of the substance of their conversations?

Answer. No.

Question. How did you become aware that they had conversations?

Answer. John may say, I talked to Mark yesterday, or Mark may say, I talked o John, but, I mean, they would not have—I mean, it was a friendly thing. It was— ike I say, when I would talk to Mark, he would identify people he had talked with nd what he was doing and who he was visiting with.

Question. What was your understanding of the nature of the relationship between Mr. Huang and Mr. Middleton?

Answer. None that I know of. I mean, he was an employee of Lippo at that time, but he had been active in the campaign, and, you know—and Mark had responsibility at some point, as his job in the White House, for kind of looking after Arkansans. I mean, you know, he was kind of a contact point for people in Arkansas that, you know—or the White House tour, whatever. And there were invitations coming out then. You got invited to parties on the lawn and, you know, stuff like that. So there were, you know, just social stuff that went on.

Question. I know we had spoken at the beginning of the deposition about Mr. Huang's activities in relation to the 1992 Presidential campaign, and I don't know if I have clarified whether you knew of Mr. Huang solely working in California or also in Arkansas during——

Answer. For the campaign?

Question. Yes, or working on projects for the campaign?

Answer. I don't have any recollection of doing much in Arkansas. I mean, his responsibility, you know—the campaign had different ethnic groups identified, and they had campaign organization staff that were devoted to different minority groups, and Asian American was one of those groups that was identified within the campaign, and they had their own small campaign staff, and I don't know, but I believe John Huang would have been part of that effort.

Question. Do you know who else was on that staff?

Answer. No. Doris Matsui, I think, eventually ended up in the White House, as had Asian American affairs, but I am sure they were involved at some point, but I was not involved in that.

Question. How did you learn of Mr. Huang's activities in the campaign?

Answer. '92 or '94?

Question. '92.

Answer. Only afterwards.

Question. Did you have an understanding of any relationship which Mr. Middleton may have had with Mr. Riady?

Answer. No.

Question. Do you know whether Mr. Middleton did any work for Mr. Riady after he left the White House in February of 1995?

Answer. No.

Question. I'm sorry, that was a bad question. No, you don't know, or, no, he didn't do any work?

Answer. No, I don't know.

Question. Once Mr. Huang began working at the Commerce Department, in July of 1995, were you aware at that time, in the July of '95 and later time period—I'm sorry, July of '94——

Answer. Right, I'm with you.

Question. Of Mr. Huang meeting with Mr. Middleton at the White House?

Answer. No.

Question. Are you aware of a joint venture between Lippo, Entergy, and the North China Power Group which was formed to build a power plant in China?

Answer. Other than press accounts, no.

Question. Did you have any participation in the creation of that joint venture in any way?

Answer. No.

Question. Did you participate in any Commerce Department trade missions under then Secretary Ron Brown?

Answer. No, not to my knowledge.

Question. Do you have any dealings with Melinda Yee at the Department of Commerce?

Answer. Not that I recall.

Question. Do you know Melinda Yee?

Answer. Yes.

Question. And how do you know Ms. Yee?

Answer. I just met her—John Tisdale introduced me to her.

Question. Do you have any knowledge of who she might be calling at your law firm?

Answer. My recollection is that she had an African partner in my law firm, Wendell Griffin, participated in a Minority Partners in Majority Firms, an ABA-sponsored activity, and I believe that is where Wendell met her, and through that, she, you know, could have been friends or, you know, was introduced to our firm. And beyond that, I don't have any idea. He is not with us anymore; he is a judge now. But I believe that was our initial contact with her.

Question. And you mentioned that Mr. Tisdale introduced you to her?
Answer. I think he did.
Question. Do you know how Mr. Tisdale knew her?
Answer. I am guessing through Wendell, but I would be guessing.
Question. Did Mr. Huang ever discuss with you any Commerce Department trade missions?
Answer. No.
Question. Do you know Joe O'Brien?
Answer. No.
Question. No?
Answer. I don't think so.
Question. Did you want to take a break?
Do you know Larry Middleton?
Answer. Yes.
Question. And how do you know Larry Middleton?
Answer. He works for Steven Zing in Little Rock, Arkansas.
Question. Are you aware of any business which the Riadys had with Larry Middleton?
Answer. Not other than press accounts.
Question. Do you know of any business which John Huang had with Larry Middleton?
Answer. Not other than press accounts.
Question. Document Bates numbered EOP 010183 through 010186 will be Deposition Exhibit No. 6. And Exhibit 6 is a January 16th, 1996 memorandum, from Doug to Mack, regarding the background for Ira's meeting with James Riady. And there are three fax cover sheets attached to the memorandum, and I will give you an opportunity to review that.
Answer. Okay.
[Buford Deposition Exhibit No. 6 was marked for identification.]

EXAMINATION BY MS. REMINGTON:

Question. Have you ever seen the memorandum that is part of Exhibit 6?
Answer. Yes.
Question. Did you write that memorandum?
Answer. I did.
Question. Was Exhibit 6 a memorandum for Mack McLarty?
Answer. I recall being asked to supply some background information on Riady to—for a meeting that Ira Magaziner was going to have with him in Jakarta, and I did this memo. But I don't recall—you know, I don't recall where the initial request came from, but I would assume that I sent it to Mack, either because he asked for it initially and he was going to get the information to Ira, or somebody connected with Ira, and his trip over there contacted me and said, you know, get it to—and I addressed it to Mack, but I doubt he ever saw it. I mean, I am sure Patty dealt with it.
That looks like my handwriting. It says, not "Mack," but "Patty," so I must have addressed it—I mean, whenever I typed it, I probably would have typed this myself, because this is a memo form that I have in the computer, and I could have brought up this form, and I use it a lot of times, rather than a letter, when I am in a hurry, and I probably typed Mack's name and realized it was going to go to Patty and sent it to her.
I would not have faxed it, somebody else would have, because I can't run a fax machine.
Question. And you don't recall who asked you to supply the background information?
Answer. No. No, I don't recall who asked me initially to do it. I just remember that Ira was going to be in Jakarta, and I was asked to do a short bio on the—Riady, and I notice over here it says somebody has written something in Chicago, Ira Magaziner's meeting in Chicago, and I remember after I sent this, I got a call from Patty, and she said, Ira is not in Chicago, he is in Jakarta, and he is asleep, because of the time frame, and I said, I don't know anything about Chicago. I mean, I never said he was in Chicago.
So somebody was communicating with them besides me, because somebody gave her this bogus information about Chicago. So there is somebody else in this process, but I don't know who it is.
But I do remember her confusion, because she is good at, you know, following through, and she wanted to call and tell me that Ira wasn't in Chicago, he was in

Jakarta, and he was asleep, and I said, I never said he was in Chicago, so you got that from somebody else.

Question. Why was James Riady meeting with Mr. Magaziner?

Answer. I don't know.

Question. At this time, was Mr. Magaziner at the Department of Commerce?

Answer. I don't think—I think he was at the White House. He was appointed as some sort of ambassador after the health care task force was disbanded, and I don't know what his portfolio was in the White House, but I know at some point, from press accounts, that he was appointed to go fly around the world and try to assist in trade—you know, work on trade.

And I don't have any knowledge of what he was doing or who told him to go or where. I mean, I thought at the time they asked me to do this that he was in Jakarta in connection with that assignment from the President to go to these various places around the world and come back and report on how to improve trade.

Question. What was the purpose of the meeting between Mr. Riady and Mr. Magaziner?

Answer. I have pretty much told you all I know. I mean, I don't have any idea. I don't even know if that is why he was there. I thought that when they asked me to write this memo, but I didn't ask why they were meeting or anything about it.

Mr. RAPHAEL. Do you know if they, in fact, met?

The WITNESS. No, I don't know if he was in Jakarta.

EXAMINATION BY MS. REMINGTON:

Question. Did you suggest to Ms. McHugh that anyone should tell Mr. Magaziner about James Riady's relationship with the President?

Answer. Say that again.

Question. Did you suggest to Ms. McHugh or anyone that someone should tell Mr. Magaziner about James Riady's relationship with the President?

Answer. You know, I thought that was part of what I was being asked to do here, was to give a bio on James Riady and who he was, and identify his Arkansas connection is what I would call it.

Mr. LASSITER. I would like to take a break for a couple minutes.

[Recess.]

EXAMINATION BY MS. REMINGTON:

Question. Back on the record. When did you first learn that John Huang was working at the Democratic National Committee?

Answer. Probably when he went to work there. I don't recall. I mean, I don't have any—I don't even know when he went. I can't even remember how long he was at Commerce.

Question. Were you aware that he was seeking a position at the Democratic National Committee?

Answer. I was aware he was unhappy at Commerce.

Question. And how did you become aware that he was unhappy at Commerce?

Answer. He told me.

Question. What did he tell you?

Answer. He told me he didn't like it.

Question. Did he tell you anything else?

Answer. No. He just said that, you know, it just wasn't what he expected.

Question. When did you have this discussion with him?

Answer. I don't recall specifically, but he was separated from his family when he came here. His family was in LA, and he has children in school out there, and so I knew that he was, you know, here, living with his father-in-law.

So if I were come—if I would come into town on other business or whatever, it would not be uncommon for me to call and tell him, and we would, you know, maybe eat lunch or something, if he wasn't busy, just, you know, because I knew he was away from home by himself, and just in the course of those—and he would call me at the office occasionally just to chat about nothing, and he would, you know—I mean, I would say: How do you like your job? How is it going? He says: Well, I am not getting to do what I thought I would get to do.

And I think he was refused out of most of the things he had background in and he just didn't understand the bureaucracy and all the restrictions on his ability to function. And, plus, I don't even know what his job was. I mean, office politics, probably.

Question. Did he ever explain to you what he—what activities he was doing at Commerce?

Answer. Other than these general conversations, I don't even know what his title was. I know he wasn't doing anything in Indonesia. I remember him saying that, that he was recused from anything that had anything to do with Indonesia, or maybe the Pacific, I'm not sure.

Question. Did he tell you that he wanted to get a job at the Democratic National Committee?

Answer. I think at some point he told me he would rather work in the campaign than at the Commerce Department and that he would—he was thinking about trying to go to the campaign, but he had—he had a sense of loyalty to the Commerce Department; they hired him, Ron Brown had—I mean, he didn't—I mean, I remember it kind of being told—heard from being not really happy with what he was doing but not wanting to be ungrateful about the job and his assignment and what he was supposed to be doing, but just kind of wishing he was over in the campaign side again.

And he knew that was going to be churning up; he knew they were going to start organizing for '96 and that they would be looking for people. And that was kind of the general conversation, I recall.

Question. Did you ever have any discussions with James Riady about Mr. Huang working at the DNC or campaign?

Answer. Not that I recall.

Question. Mr. Huang began working at the DNC in December of 1995. Did you discuss with Mr. Giroir the fact that Mr. Huang wanted to work at the DNC before that?

Answer. I could have. I don't have any recollection. Mr. Giroir and I don't talk often, so I would be surprised if I did, but I could have.

Question. Did you contact anyone on Mr. Huang's behalf to assist him in getting a position at the DNC?

Answer. Not to my recollection. I know I didn't contact anybody at the DNC. I wouldn't know anybody over there.

Question. Did you contact anyone in the White House on Mr. Huang's s behalf?

Answer. You know, if it came up in a conversation with Bruce, or something, that would have been the only thing. Bruce may have said, you know, John is interested in going to the DNC, or something like that, but I don't have any recollection of it.

I mean, it could have been discussed casually, but, you know—and Bruce may have asked me, do you think it is a good idea, or do you think John would do a good job, or something, and I would have commented just on my general knowledge about John's skills.

Question. You don't recall having a specific conversation?

Answer. No.

Question. At or around the time frame of September of 1995, were you aware of Mr. Huang or Mr. Riady meeting with the President?

Answer. No.

Question. Other than press accounts, did you ever become aware that Mr. Huang or Mr. Riady discussed with the President John Huang moving over to the DNC?

Answer. No.

Question. Did Mr. Lindsey—to your knowledge, did Mr. Lindsey have a relationship with Mr. Huang after the 1992 election?

Answer. Sure.

Question. He knew who he was?

Answer. Sure.

Question. What was your understanding of the type of relationship Mr. Lindsey had with Mr. Huang?

Answer. Just knew that he had worked on the campaign and was interested in administration and was somebody that, you know, was a supporter.

Question. At that time, after the 1992 election, did you ever discuss Mr. Huang with Mr. Lindsey, his Commerce appointment or his qualifications?

Answer. At some point, I think Bruce and I had a conversation about John working in the administration somewhere—it could have been in connection with the Commerce—and just in talking with him, he said, you know, do you think John would do a good job, or, you know, John's been, you know, working for the Lippo Group; I mean, would he be somebody that could work in government, or something like that, and I said, you know, I think he would be good at whatever he wanted to do, something like that.

It would have just been a general conversation like that. I don't think they were looking to me for any guidance on where to put him or how to use him or anything. I know that didn't occur.

Question. Before any of the news stories of Mr. Huang's fund-raising activities came out, did anyone contact you about Mr. Huang's fund-raising?

Answer. No.

Question. Before any of the news stories came out, did anyone contact you about Mr. Huang's connection to the Lippo Group or the Riady family?

Answer. I'm not sure I understand that. In what connection?

Question. That's a bad question. I will just strike that.

After December 1995, when Mr. Huang began working at the DNC, did you ever speak with James Riady about Mr. Huang's work?

Answer. Not to my recollection.

Question. Were you aware that Mr. Huang was organizing fund-raisers for the DNC?

Answer. Yes.

Question. What was your understanding of what he was doing?

Answer. That's about it. I mean, he had some sort of title at the DNC, but I can't remember what it was. But it indicated in his title that he was a fund-raiser. And I thought that they were utilizing his connections in the Asian American community to organize that community for financial support.

Question. After Mr. Huang began working for the DNC, did you have conversations with him about his job?

Answer. Other than still displaced, no family, and other than me being up here, you know, and just calling him and we went to lunch or something, they would be general conversations about, "How do you like your job? What are you doing?" But very generic. I mean, nothing about, you know, "I'm going here and doing this."

I mean, he never talked about his travels, never talked about what he was doing, where he was going, how good he was doing, just talked about how hard he was working.

Question. In 1996, were you aware of James Riady attending any fund-raisers for the DNC?

Answer. I mean, I could have been at a fund-raiser myself when he was there. But, no, not specifically, I mean, unless I was there and saw him or something. I don't recall, you know, what I attended and what I didn't. But I wasn't involved in any organization or anything like that.

Question. Did Mr. Riady ever speak to you about events, fund-raising events, he attended with the President?

Answer. Winston Bryant had a fund-raiser, or the DNC had a fund-raiser for Winston Bryant, at the Hay-Adams Hotel, I think would have been in that '96 time frame. And I was in Washington, and I believe that—I believe I saw Riady at that function. It was in the Hay-Adams. It was in the basement of the Hay-Adams. And I believe he was there at that time.

Question. Did Mr. Middleton assist in arranging that fund-raiser?

Answer. I don't have any idea.

Question. To your knowledge, did Mr. Riady make any contributions to the DNC in the 1995-1996 election cycle?

Answer. No.

Question. To your knowledge, did Mr. Riady make any contributions to the Clinton/Gore Re-elect in the 1995-1996 election cycle?

Answer. No.

Question. And all these questions are, of course, to your knowledge.

Answer. Okay.

Question. Did the Lippo Group or any of its affiliates make any contributions to the DNC during the 1995-1996 election cycle?

Answer. No.

Question. Similarly, did the Lippo Group or any of its affiliates make any contributions to the Clinton/Gore Re-elect during the 1995-1996 election cycle?

Answer. Not that I know of.

Question. During the 1995-1996 election cycle, did James Riady arrange for any foreign businessmen or individuals to attend fund-raisers with the President?

Answer. Not to my knowledge.

Question. During the 1995-1996 election cycle, did John Huang arrange for foreign businessmen or individuals to attend fund-raisers with the President other than press accounts, if you have any knowledge?

Answer. I don't have any knowledge.

Question. Do you know Charlie Trie?

Answer. No. I mean, you know, not other than seeing him in a restaurant in Little Rock.

Question. You have no personal relationship with him?

Answer. No. No, I wouldn't know him if he walked in the room.

Question. Are you aware of any relationship Mr. James Riady had with Charlie Trie?

Answer. No.

Question. Are you aware of any relationship John Huang had with Charlie Trie?

Answer. No.

Question. Do you know Kenneth Wynn?

Answer. Spell that.

Question. Wynn. W-Y-N-N.

Answer. No.

Question. Do you know of any relationship Kenneth Wynn may have had with James Riady?

Answer. No.

Ms. REMINGTON. I would just like to take a minute to go back through my questions and make sure I didn't miss anything.

Michael, if you would like to ask any questions that you have.

Mr. RAPHAEL. Sure. It is my round?

Ms. REMINGTON. Yes.

Mr. RAPHAEL. Mr. Buford, on behalf of the Minority, I would like to thank you for coming up here today and traveling from Arkansas as a private citizen voluntarily.

As the Majority counsel said at the beginning of the deposition, the committee is engaged in a wide-ranging investigation. And I think you have been subjected to a fairly wide range of questions today; and you have sat here, apparently, and forthrightly responded to them. And I just want to tell you we appreciate that.

The WITNESS. Thank you.

EXAMINATION BY MR. RAPHAEL:

Question. Mr. Buford, you practice corporate law in Arkansas?

Answer. Corporate and securities law.

Question. Is it correct that Mr. Joe Giroir also practices corporate law in Arkansas?

Answer. Yes.

Question. You two are at different firms?

Answer. Yes.

Question. You sometimes are on the opposite side of transactions?

Answer. Most often.

Question. Do you routinely have exposure to Mr. Giroir's work product?

Answer. Well, routinely would probably be too much. But, yes, he and I have been on the opposite side of transactions a number of times. We're competitors.

Question. You were shown a document, Exhibit 2, which is a letter from Mr. Giroir to James Riady that discusses, in the course of three single-spaced pages, joint ventures involving such companies as the Hunt Company, the Tyson Company, and the Entergy Company.

Answer. Yes.

Question. Would it be correct to say that you don't particularly have exposure to documents from a competitor of Mr. Giroir that involved him setting up such joint ventures?

Answer. Right. I'm not involved. I've never seen them.

Question. If this committee had such documents from you, documents when you were working to set up joint ventures, would you want this committee to be sensitive in who those documents are shown to?

Answer. Well, yes. I mean, they are confidential documents. We have to protect them.

Question. I want to clarify something. You were shown Exhibit 4, which is a list of 27 people, a memo that John Huang sent to Joe Hanna. I believe you testified that that document was similar to a list that you received?

Answer. Yes.

Question. You don't know, sitting here today, that the list that you received was exactly the same as this list?

Answer. No. I don't think it was. I mean, I think I saw a list of names, but I don't—it was not on a memorandum like this.

Question. So it is possible that the list that you received may have had some differences in the names on this list?

Answer. Right.

Question. Mr. Buford, has the fact that this committee has decided to take your deposition been burdensome to you in any way?

Answer. Yes.

Question. Could you describe for me in what ways?

Answer. Well, I had to employ an attorney. My firm has had to employ an attorney. I'm in the middle of a securities transaction in New York right now, and I've had to employ another partner to be involved for a few days while I was gone. Expense and travel. I was unable to utilize the Government's ticket.

Question. So this committee did offer you a ticket to travel here?

Answer. Somebody did.

Mr. LASSITER. Yes.

The WITNESS. Yeah, they did.

EXAMINATION BY MR. RAPHAEL:

Question. And you were unable to use that?

Answer. I was unable to use that.

Question. Have you been called to testify before the Senate committee that is investigating campaign finances, the Senate Governmental Affairs Committee?

Answer. No.

Question. And have you not given a deposition?

Answer. No.

Question. Have you given testimony in any way to the Department of Justice in the course of its campaign finance investigation?

Answer. No.

Mr. RAPHAEL. Thank you, Mr. Buford. That is all the questions I have.

Ms. REMINGTON. I just want to clarify for the record that, at the beginning of the deposition, I did state that this was in executive session, and we asked that you not discuss any of the materials that you have seen here or the discussions we have had.

And with that, I don't have any more questions.

[Whereupon, at 1:13 p.m., the deposition was concluded.]

[The exhibits referred to follow:]

LIPPO GROUP

(By Facsimile Transmission)

Jakarta, July 22, 1993

John Huang
Lippo Bank
Los Angeles

Dear John,

1. There is a Mr. James Tuvin who has called me by phone from America but I have not called him back. I really do not know or do not remember who he is. If you have time, please call him at 301-4908448.

2. Please call me when you have time to talk about Grobmyer. Or, let me know where you can be contacted.

3. I have received Doug Buford. I will make the arrangement for the Jakarta, Bali, and Singapore portion. I would appreciate if you will arrange the Hongkong portion. We look forward to seeing them and both you and Jane if she could make it in Hongkong and Indonesia soon.

Best regards.

Your sincerely,

JAMES T. RIADY
Deputy Chairman

JTR/l.

EXHIBIT
CDB-1

Transp.

ARKANSAS INTERNATIONAL DEVELOPMENT CORPORATION
111 Center Street
Suite 1900
Little Rock, Arkansas 72202
(501) 372-3000

October 20, 1993 **CONFIDENTIAL**

Via Facsimile

Mr. James Riady
The Lippo Bank
Lippo Centre
9th Floor
Jl. Jend Gatot Subroto Kav. 35-36
Jakarta 12950
Indonesia

EXHIBIT
CDB-2

Dear James:

I'm sorry that I missed you this morning when I was calling by telephone. If you get a chance, call me this morning (your time) at my home (at night, my time) to discuss the matters referred to herein.

Concerning the cable television project in Indonesia, have you been able to meet with Bambang yet? If so, has number one given the nod? I believe that Dwight has selected a site for the headend office (with which I believe Winardi has concurred) and they are ready to begin walking the streets for mapping at the end of next week. Please let me know if there has been any progress in this area; and if it is agreeable for the crew to begin walking the streets for mapping at the end of next week. We will also need to begin funding the expenses of Dwight's salary, the mapping, travel, etc. The Joint Venture Agreement calls for intial funding of $100,000.00. I will ask Jim Guy to fund his $20,000.00. Will you take care of requesting the others for contribution of their share of the balance? I suggest that the funds be wired into the AIDC account (account number 008942-540-0 at Worthen National Bank of Arkansas) from which expenses will be paid (and deducted by Jim Guy and me for U.S. income taxes purposes). If you have any questions in regard to this please let me know.

Concerning the Seattle trip, and the visit to Arkansas by the Indonesian business delegation, please be advised that we will not know until early next week whether or not the President will attend the signing of the sister state relationship agreement in Seattle. Mack and Mark Middleton indicate that it will be a determination made by the Director of National Security; and that the human rights controversy surrounding East

CONFIDENTIAL

Temor may be an impediment that will have to be overcome. I note that Doug Bufford is speaking with Bruce Lindsey about this, this week; John Huang has spoken directly to the President and the President has indicated, in general, that he is agreeable to do it; and I have urged Mack to get a favorable response from Nancy Sodderbury in order to give the maximum impact to the sister state relationship. However, I believe that there is some doubt as to whether or not the President will do it. If he will, then it can be done on the morning of November 19th. But, I don't think we will know an answer to this until early next week. I know that this has a bearing on whether you want to bring a delegation of the business people from Jakarta to the United States and on to Arkansas. Consequently, I am trying to get an answer as soon we can.

Concerning the China situation, please be advised to as follows:

I have talked with the people at JB Hunt who are anxious to make an exploratory trip to China with a view to entering into an 80% - 20% joint venture with AIDC/Lippo, and will pay a $250,000.00 fee to AIDC if the transaction is pursued. I have also spoken with the Tyson people who have indicated an interest in also making an exploratory trip and entering into a 80% - 20% partnership if transaction is pursued. I did not request the Tyson people to pay a $250,000.00 fee because they have representatives in the area and indicate that they are also expending funds to pursue these opportunities. Both the Tyson and the JB Hunt people express a particular interest in the possibility of being able to distribute poultry, or manage transportation for the Ministry of Internal Trade. The Vice-Minister of the Ministry of Trade indicated strongly to us at our meeting on Saturday that he was desirous of pursuing these matters. I'm asking Joe Sung to follow up on the scope of the requirements of the Ministry of Internal Trade in this regard; but I believe that they are large.

I have also met with the representatives of Entergy who are also anxious to pursue a joint venture on the Shandong power project; on the basis that we would co-investments (although a substantial portion of the Lippo investment would likely be shared in by other investors); with Entergy understanding that Lippo would be the general contractor for the improvements, and that there would be a goodwill factor plugged into the partnership, including a .01% cash fee (on a targeted investment of $50,000,000, or $500,000). Entergy representatives indicate a desired to negotiate for an effective return in excess of 15%.

CONFIDENTIAL

All of the representatives of Hunt, Tyson, and Entergy have indicated a desire to make the trip during the last week of November, or the first week of December. Mark Middleton advises me that the White House is going to sponsor a trade mission to China in January which they want to invite us to join. It would be nice if we could sign the definitive agreements on the three Arkansas projects when that trade mission is held, with representatives of the Arkansas companies participating in the trade mission. I need your input in to this.

Please let me hear from you as soon as possible.

Very truly yours,

Joe

C. J. Giroir, Jr.

CJG:cgb

430\riady10.020

ARKANSAS INTERNATIONAL DEVELOPMENT CORPORATION
111 Center Street
Suite 1900
Little Rock, Arkansas 72202
(501) 372-3000

September 26, 1994

Mr. & Mrs. Paul Berry
Paul Berry & Associates
One Bank Building
Little Rock, Arkansas 72201

Dear Paul and Mary:

The Lippo Group (the Riady family) and Arkansas International Development Corporation wish to invite you to be our guest to attend the APEC Conference in Jakarta, Indonesia, representing Arkansas business, and we will provide you with first class airline transportation and hotel accommodations.

In order to facilitate the reservations I need for you to contact Linda Brown, at Poe Travel, 1-800-727-1960. Please specify that you are calling in regard to the Arkansas International Development Corporation group.

So that you know what the options are, let me give you the overall timetable. The APEC meeting in Jakarta will be November 14 - 16, 1994. To break the trip up, some plan to make an interim stop in Hong Kong; and some plan to go directly to Jakarta. Almost everyone plans to stop in Bali for four or more days following the APEC meeting and I hope that you can make this.

For those going direct it is necessary to leave by Friday afternoon, November 11th in order to arrive by Sunday afternoon November 13th (because of the 14 hour loss of time). For those wanting to break the trip, they are planning to leave on November 9th, stay in Hong Kong from November 11th through November 13th, and continue to Jakarta on November 13, 1994. Everyone is tailoring their return from Bali, (you can make it back on same day because of the time change) to meet their individual circumstances. We will make optional arrangements for entertainment and meetings in Hong Kong.

It is not necessary that you correlate your flight schedule with anyone else; but if you desire to do so my secretary Cindy Bedsole or Linda Brown at Poe Travel can give you the alternatives.

EXHIBIT
CDB-3

I will give you a more definitive schedule of events next week. I hope you can join us. We will have an interesting group including a number of your friends.

Very truly yours,

C. J. Giroir, Jr.

CJG:cgb
430\apec\Berry.926

M E M O R A N D U M

DATE: September 21, 1994

TO: John Huang

FROM: Joe Hanna

RE: Arkansas Delegation List

Please find below the list of names prepared by JTR and Joe Giroir representing the Arkansas delegation to APEC.

1. Senator David Pryor (Barbara)
2. Gov. Jim Guy Tucker (Betty)
3. Joseph Giroir (Janinne)
4. Mark Grobmyer (Libby)
5. Douglas Buford (Julie)
6. Harry Ward (Betty Joe)
7. Paul Willmuth (alone)
8. Steve Humphries (alone)
9. James Atkins (Kahleen)
10. James Blair (Dianne)
11. Curt Bradbury (Chucky)
12. Gary Smith (in case Curt does not go)
13. Warren Stephens (Harriet) (REGRETTED)
14. Beverly Lindsey (alone)
15. Webster Hubbel (Suzanna)
16. Del Boyette (alone)
17. Charles Sloan (alone)
18. Sandy Ledbetter (alone)
19. Mark Allen (alone)
20. Charles Charlau
21. Truman Arnold
22. Phil Harrington
23. Paul Berry
24. Brian Hunt
25. Ken Oberg
26. John Steuri (Grace)
27. Terry Ogletree

EXHIBIT
CDB-4

COMMITTEE ACCESS

FROM: MACK MCLARTY

To: Mack McLarty
John Podesta

From: Bruce Lindsey

Re: Arkansas Delegation to APEC

I spoke with John Tisdale and Doug Buford yesterday about the Arkansas "delegation" to the APEC Conference in Indonesia. The list has been whittled down to the following:

Alan and Jean Sugg
✓ Wayne and Francis Cranford
Mark and Libby Grobmyer
Alice Walton
A representative of Systematics
A representative of Entergy
Paul Berry (maybe)

All, except Paul Berry, appear to have some legitimate reason for being there. Mark Grobmyer is chairman of the International Business Committee of the Little Rock Chamber of Commerce, the University of Arkansas is signing some sort of exchange program with an university in Indonesia, etc. Doug, who negotiated the revised list with James Riady, asked about his status." He clearly would like to go, but will do whatever we want. He believes his presence will help to "control" the group. As you know, Doug is President-elect of the Little Rock Chamber of Commerce which might justify his inclusion.

The delegation does not expect to do anything with President Clinton, but would like to be invited to the American reception hosted by the Department of Commerce and to Clinton's speech to the conference, if the speech is open to outside guest.

James Riady and his father would like to have the opportunity to visit briefly with President Clinton in the hotel during the visit. James has been reasonable in culling the list, and I think we should try to schedule a 15 minute meeting for them.

EXHIBIT
CDB-5

EOP 030679

File: Buford, Doug

MEMORANDUM

TO: MACK PATTY

FROM: DOUG

DATE: January 16, 1996

RE: BACKGROUND FOR IRA'S MEETING WITH JAMES RIADY

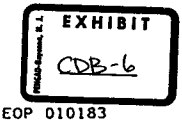
James Riady's family invested in Worthen Banking Corporation in Little Rock, Arkansas, about 1984. James, about 25 then, moved to Arkansas and worked for the corporation. He met and became a friend of then Governor Clinton. After several years in Arkansas, James returned to Indonesia to work with his family businesses, The Lippo Group.

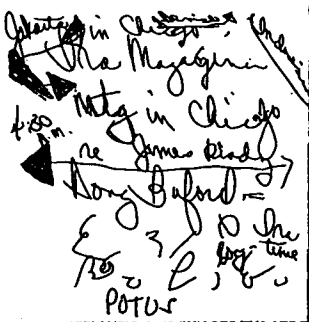
The Lippo Group has numerous investments in the United States and offices in Los Angeles. During the 1992 campaign, James and the head of his United States operation, John Huang, were very supportive.

The Lippo Group has been recognized as one of the five leading business entities in Asia. They have listed companies in Jakarta, Hong Kong, and Singapore.

If you would like any additional information, please call me at 501-371-0808 any time.

COMMITTEE ACCESS





RIGHT, LINDSEY & JENNINGS
200 Boatmen's Bank Building
00 West Capitol, Suite 2200
e Rock, Arkansas 72201-3699

(501) 371-0808

FAX COVER SHEET

R THE USE OF THE ADDRESSEE. IT CONTAINS INFORMATION WHICH
EY-CLIENT PRIVILEGE OR OTHERWISE NOT SUBJECT TO
DISCLOSURE. IF YOU ARE NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, ANY USE OF THIS INFORMATION OR DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION, IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. WE WILL REIMBURSE YOU FOR ANY POSTAGE. THANK YOU.

DATE January 16, 1996 TIME 12:00

TOTAL NUMBER OF PAGES 2 (INCLUDING COVER SHEET)

TO Patty McHugh

FIRM

CITY Washington, D.C.

TELECOPIER NUMBER [redacted] OUR FAX NUMBER IS [redacted]

FROM C. Douglas Buford, Jr.

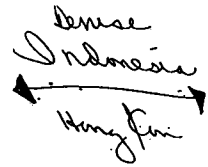
65557

CONFIRMATION COPY (YES _ NO X)
VIA:
REGULAR MAIL _
OVERNIGHT DELIVERY _

COMMENTS:

DOCUMENT TRANSMITTED:
IF ALL PAGES ARE NOT RECEIVED, PLEASE CONTACT: Suzie Potts (501) 371-0808

COMMITTEE ACCESS



WRIGHT, LINDSEY & JENNINGS
2200 Boatmen's Bank Building
200 West Capitol, Suite 2200
Little Rock, Arkansas 72201-3699

(501) 371-0808

FAX COVER SHEET

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE ADDRESSEE. IT CONTAINS INFORMATION WHICH IS CONFIDENTIAL UNDER THE ATTORNEY-CLIENT PRIVILEGE OR OTHERWISE NOT SUBJECT TO DISCLOSURE. IF YOU ARE NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, ANY USE OF THIS INFORMATION OR DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION, IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. WE WILL REIMBURSE YOU FOR ANY POSTAGE. THANK YOU.

DATE January 16, 1996 TIME 12:00

TOTAL NUMBER OF PAGES 2 (INCLUDING COVER SHEET)

TO Patty McHugh

FIRM

CITY Washington, D.C.

TELECOPIER NUMBER [redacted] OUR FAX NUMBER IS [redacted]

FROM C. Douglas Buford, Jr.

Denise 65557

CONFIRMATION COPY (YES _ NO X)
VIA:
REGULAR MAIL _
OVERNIGHT DELIVERY _

COMMENTS:

DOCUMENT TRANSMITTED:
IF ALL PAGES ARE NOT RECEIVED, PLEASE CONTACT: Suzie Potts (501) 371-0808

COMMITTEE ACCESS

THE WHITE HOUSE
WASHINGTON

OFFICE OF MACK McLARTY

COUNSELOR TO THE PRESIDENT

Fax Transmittal Sheet

TO: Denise

FAX NUMBER: 65557

PHONE NUMBER:

FROM: Patty McHugh

SUBJECT:

COMMITTEE ACCESS

DATE: 1/16/96

NUMBER OF PAGES (including cover sheet): 2

MESSAGE: For Ira Magaziner's information — prior to meeting he has Wed. in Jakarta.

If all pages are not received, please call 202/456-2000.

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying, or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

[The deposition of Mickey Kantor follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: MICKEY KANTOR

FRIDAY, AUGUST 8, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 8:10 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Barbara Comstock, Chief Investigative Counsel; David A. Kass, Investigative Counsel; Kenneth Ballen, Minority Chief Investigative Counsel; Michael J. Raphael, Minority Counsel; and Matthew H. Joseph, Minority Counsel.

For MR. KANTOR:

LAWRENCE S. ROBBINS, ESQ.
SEAN P. MOYLAN, ESQ.
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-1882

Ms. COMSTOCK. Good morning. On behalf of the members of the Committee on Government Reform and Oversight, I would like to welcome you this morning, Mr. Kantor, and thank you for appearing here today.

This proceeding is known as a deposition. The person transcribing this proceeding is a House reporter and notary public. I would like to now request that the reporter place you under oath.

THEREUPON, MICHAEL KANTOR, a witness, was called for examination by Counsel, and after having been first duly sworn, was examined and testified as follows:

Ms. COMSTOCK. I would like to note for the record those who are present this morning at the beginning of the deposition. My name is Barbara Comstock. I am the designated Majority counsel for the Committee. I am accompanied here this morning by David Kass, who is also with the Majority staff. Ken Ballen is the designated Minority counsel for the Committee this morning. Mr. Ballen is accompanied by Michael Raphael and Michael Joseph, who are also with the Minority staff.

I am sorry. That is Matthew Joseph.

The deponent is Mr. Kantor this morning, who is represented by Larry Robbins.

Although this proceeding is being held in a somewhat informal atmosphere, because you have been placed under oath, your testimony here this morning has the same force and effect as if you were testifying before the Committee or in a courtroom.

If I ask you about conversations you have had in the past and you are unable to recall the exact words used in the conversation, you may state that you are unable to recall those exact words and then you may give me the gist or substance of any conversation to the best of your recollection.

If you recall only part of a conversation or only part of an event, please give me your best recollection of those events or parts of conversations that you do recall.

If I ask you whether you have any information upon a particular subject, and you have overheard other persons conversing with each other regarding it or have seen correspondence or documentation regarding it, please tell me that you do have such information and indicate the source, either a conversation or documentation or otherwise, from which you have derived such knowledge. If for any reason you have knowledge about topics and are not disclosing that information, we would ask that you provide the privilege or reason for not doing so.

Before we begin the questioning, I would like to give you some background about the investigation and your appearance here.

Pursuant to its authority under House Rules X and XI of the House of Representatives, the Committee is engaged in a review of possible political fund-raising improprieties and possible violations of law under the Committee's jurisdiction.

Pages 2 through 4 of House Report 105–139 summarizes the Committee's investigation as of June 19th, 1997, and encompasses any new matters which arise directly or indirectly in the course of the investigation. Also, pages 4 through 11 of the report explain the background of the investigation. All questions related directly or indirectly to these issues or areas which are discussed in the report, or questions which have a tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence, are proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167, which passed the full House on June 20th, 1997. Committee Rule 20, of which you received a copy, outlines the ground rules for the deposition.

Majority and Minority Committee counsels will ask you questions regarding the subject matter of the investigation. Minority counsel will ask questions after Majority counsel has finished. After the Minority counsel has completed questioning you, a new round of questioning may begin.

Members of Congress who wish to ask questions will be afforded an immediate opportunity to ask any questions at any time when they may be present at the deposition. When they are finished, Committee counsel will then resume questioning.

Pursuant to the Committee's rules, you are allowed to have an attorney present to advise you of your rights. Any objection raised during the course of the deposition shall be stated for the record by your attorney. If the witness is instructed not to answer a question by his attorney or otherwise refuses to answer a question, Majority and Minority counsel will confer to determine whether the objection is proper. If Majority and Minority counsels agree that a question is proper, the witness will be asked to answer the question. If an objection is not withdrawn, the Chairman or a Member designated by the Chairman may decide whether the objection is proper.

This deposition is considered as taken in executive session of the Committee, which means it may not be made public without the consent of the Committee, pursuant to clause 2(k)7 of House Rule XI. You are asked to abide by the Rules of the House and not discuss with anyone, other than your attorney, this deposition and the issues and questions raised during this proceeding.

Finally, no later than 5 days after your testimony is transcribed and you have been notified that your transcript is available, you may submit suggested changes to the Chairman. We can, with the agreement of the Minority, extend that 5 days, and we can also mail the transcript to you if your scheduled needs necessitate.

The WITNESS. Thank you.

Ms. COMSTOCK. The transcript will be made available at the Committee office or, again, we can mail it to you. We do ask that you sign a nondisclosure form on that.

Committee staff may make any typographical and technical changes requested by you. Any substantive changes, modifications, clarifications or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement of your reasons for each proposed change. A letter requesting any substantive changes, modifications, clarifications or amendments must be signed by you. Any substantive changes, modifications, clarifications or amendments shall be included as an appendix to the transcript, conditioned upon your signing of the transcript.

Do you understand everything we have gone over so far?

The WITNESS. Yes, I do.

Ms. COMSTOCK. Do you have any questions about anything we have gone over so far?

The WITNESS. No, I don't.

Mr. BALLEN. Excuse me. Ms. Comstock, I need to make a comment on what you read. You stated that the Chairman may make a ruling on any objection. Any objection as to pertinency or relevancy is up to the Committee. Any objection that the Chair decides upon may be appealed to the full Committee. The Committee is the arbiter ultimately of pertinency—thank you—under House Rule XI 2(k)8.

Ms. COMSTOCK. Okay. I just wanted to go over some ground rules initially.

The WITNESS. Sure.

Ms. COMSTOCK. I will be asking you questions concerning the subject matter of this investigation. If you don't understand a question, please say so and I will repeat it or rephrase it so that you do understand the question.

Do you understand that you should tell me if you do not understand my questions?

The WITNESS. Yes, I understand that.

Ms. COMSTOCK. The reporter will be taking down everything we say and will make a written record of the deposition. You must give verbal, audible answers because the reporter cannot record what a nod of the head or other gesture means.

If you can't hear me, please say so and I will repeat the question or have the court reporter read the question to you.

If you don't know the answer to the question, simply say you do not know. We are not asking you to merely speculate or guess. Do you understand that?

The WITNESS. Yes, I do.

Ms. COMSTOCK. Okay. I would ask that you wait until I finish each question before answering, and I will wait until you finish your answer before I ask the next question.

Do you understand that this will assist the reporter to make a clear record, because she cannot take down what we are both saying at the same time?

The WITNESS. Yes, I understand that.

Ms. COMSTOCK. All right. Your testimony is being taken under oath, as if we were in court. It will be assumed that you understand the questions and answers and that they are intended to be responsive to those questions and answers. Do you understand that?

The WITNESS. Yes, I understand that, as well.

Ms. COMSTOCK. Are you here voluntarily this morning or are you here as a result of a subpoena?

Mr. ROBBINS. He hasn't received a subpoena.

Ms. COMSTOCK. Do you have any questions about the deposition before we begin?

The WITNESS. No, I don't.

EXAMINATION BY MS. COMSTOCK:

Question. Could you please state your full name and address for the record, please?

Answer. Michael Kantor, [redacted].

Question. Okay. Could you give us your background from college forward, please?

Answer. I graduated from Vanderbilt University in 1961 with a Bachelor of Arts. I was a United States Naval officer from 1961 to 1965. I went to Georgetown night school and worked in the—with the Small Business Administration from 1964 to 1968. I was a legal services lawyer from 1968 until 1972, the summer of '72. I worked on the McGovern for President campaign from August 1st, 1972, until the end of that campaign. After President McGovern was elected—oh, that's right. We didn't win. A little levity.

Question. I recall that night.

Answer. 1973, I began to practice law at the law firm of Manatt Phelps & Rothenberg in Los Angeles, California. I am sorry. 1973, 1974, I was campaign chairman for Alan Cranston of the United States Senate in California. In 1975—I am sorry—I began as a partner of the law firm of Manatt Phelps & Rothenberg, and which later became Manatt Phelps Phillips and Kantor, in Los Angeles, California.

In 1991—and I will skip all the civic and community activities. I assume you don't want that. In 1991, I became chair of the Clinton for President Campaign. On January 21, 1993, I was sworn in as the United States Trade Representative. On April 12, 1996, I was sworn in as Secretary of Commerce. I left that position on January 23rd, 1997. On March 1st, 1997, I became a partner in the law firm of Mayer Brown & Platt, and a senior advisor to the investment firm of Morgan Stanley, and a distinguished lecturer at the Annenberg School of Communications at the University of Southern California.

Question. Okay. In 1991, when you were chairman of the Clinton for President Campaign, was that a full-time position?

Answer. Not initially.

Question. Okay. Did you leave your law firm at some point?

Answer. Well, I never left my law firm because it never was full-time, but it is—as the campaign proceeded and as the then Governor, soon to be President, became the nominee, I spent more and more time on the campaign and nearly full-time by the end of the campaign.

Question. Were you stationed in Little Rock during the campaign or did you stay in California?

Answer. We moved to Little Rock, Arkansas, in July 1992.

Question. Okay. Prior to that time, were you based in California still?

Answer. Los Angeles, yes.

Question. When you worked with the firm of Manatt Phelps, did you ever have any dealings with any affiliate of the Lippo Group?

Answer. No.

Question. Were you aware, at the time when you were at the firm, that the Lippo Group or any affiliates were a client of the firm?

Answer. I can't recall at that point if I was aware of the Lippo Group as a client. I later learned they were a client of the law firm.

Question. Okay. Do you know when you learned of that?

Answer. I can't specifically recall but it was—I can't specifically recall. It was sometime in 1993 or 1994.

Question. Okay. Do you recall how you learned of that?

Answer. I learned because a meeting was requested by someone connected with the Lippo Group with me, and I had a policy not to meet with clients of or former clients of my law firm, which was a standard I adhered to all 4 years when I was in public service. And I refused to meet with someone because they were connected to the Lippo Group.

Question. Do you recall who brought that to your attention?

Answer. One staff member of the USTR. It was probably someone in the general counsel's office.

Question. All right. Do you recall how you—was that person in the general counsel's office in touch with your firm as to the firm's clients?

Answer. The general counsel's office had a list of all the firm's clients, in order they could check each meeting that I had to make sure that I would not violate the standard I had set for myself.

Question. And would they have informed you of this by a memo or some type of documentation?

Answer. I doubt it seriously. It was probably verbal, although I don't specifically recall.

Question. Okay. Do you know the process by which the general counsel's office reviewed this list of your firm's former clients?

Answer. No, I do not.

Question. Do you know who in the counsel's office worked on such matters?

Answer. It could have been any number of—any one of a number of lawyers.

Question. Do you recall who it was who was attempting to meet with you in 1993 or 1994?

Answer. I later was told—I did not know at the time—that it was Mr. Riady, James Riady.

Question. Do you recall when you were told that?

Answer. No, I don't.

Question. Was it some time in the past year or two?

Answer. I just don't recall.

Question. Who hired you to be the campaign chairman for the Clinton campaign?

Answer. If you could rephrase the question, I was never paid so I don't think I was hired.

Question. Okay. Who asked you to be the chairman?

Answer. To serve. The then Governor of Arkansas, later to be President of the United States, President Clinton.

Question. All right. And what were your duties in that position?

Answer. Broadly speaking, to oversee all the functions of the campaign.

Question. Did you hire other staff for the campaign in that role?

Answer. I was involved from time to time in the hiring of staff, but I was not directly involved in the hiring of each and every person.

Question. Were you involved in hiring any fund-raisers for the campaign?

Answer. I don't specifically recall. I may have been consulted on the hiring of people involved in the fund-raising operation but I couldn't recall anyone specifically at this point.

Question. All right. Do you know generally who was in—who you worked with who was in charge of fund-raising in the 1992 campaign?

Answer. Oh, I can recall the people, sure.

Question. Who would those be?

Answer. I can't name them all, of course, because there were a number of people who voluntarily worked on the campaign, but it was generally handled by Rahm Emanuel and Amy Zizic out of the Little Rock office. There were other people around the country who voluntarily or who were part of the payroll. I couldn't obviously name those people. They are too many, too numerous.

Question. Were you familiar with a $3.5 million loan by the Worthen Bank, what is known as a bridge loan, to the 1992 Clinton campaign in the spring of 1992?

Answer. No.

Question. You have no knowledge of anybody who was involved in facilitating that loan?

Answer. No.

Question. Okay. During the 1992 campaign, were you aware of any large number of contributions from anybody affiliated with the Lippo Group?

Answer. No.
Question. Or the Riadys?
Answer. No.
Question. Did you ever meet with James Riady during the 1992 campaign?
Answer. I can recall meeting James Riady at a reception in Little Rock sometime in the late summer of 1992, which involved about 150 people.
Question. All right. And you recall meeting him on that occasion?
Answer. Yes.
Question. And did you have any discussion with him about who he was or what he did?
Answer. Not that I recall.
Question. All right. How did you know that you—how do you recall that you met him at that time?
Answer. I just recall it. I can't specifically tell you why I recall it, but I do.
Question. Do you recall knowing about him being a donor or a large donor to the campaign?
Answer. I can't recall but it would be—at this point I will just assume, since it was a fund-raiser, and there were 150 people, I just will assume he was there because he contributed to the campaign, but that is an assumption. It's not based on knowledge.
Question. All right. Were you aware of any large contribution by any particular donors being directed to the States in 1992, particularly in September and October of 1992?
Answer. Not that I recall.
Question. Do you know what APAC is, the Asian Pacific Advisory Council, or did you have any contact with that during the 1992 campaign?
Answer. You have—excuse me. I am sorry. You have asked two questions.
Question. I am sorry. Do you know what APAC is?
Answer. Yes, I know what APEC is. The Asian Pacific Economic Conference is an organization of 17 nations who are involved in trade negotiations.
Question. Okay. Do you know an organization called APAC, APAC, the Asian Pacific Advisory Council?
Mr. ROBBINS. She is not talking about foreign affairs. She is talking about fundraising.
The WITNESS. I apologize. No, I have never heard of that. To my knowledge, I have never heard of that organization.

EXAMINATION BY MS. COMSTOCK:

Question. Okay.
Answer. I am sorry.
Mr. ROBBINS. That's all right.
The WITNESS. I wanted to start talking about trade.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. I am showing the witness a document that is marked E619. I believe it is from the DNC. It is a memo to Dalia Traynham from Melinda Yee, re RHB's schedule, which is Ron Brown's schedule for September 14th, 1992. It is a proposed schedule for Mr. Brown when he was chairman of the DNC in 1992.
Directing your attention to Friday, September 18th, 1992, on that schedule, there is a——
Answer. What date? I am sorry. I apologize.
Question. It is the 18th. I am sorry. It is difficult to read on the copy. It says Thursday, September 17th above and then it says Friday, September 18th.
Answer. Okay. Thank you.
Question. It is difficult to read the copy that we have, but it references on the September 18th date an APAC vote event with the contact being Nora Lum in Torrance, California. And there is a meeting from 10:00 a.m. to 10:30, and at 10:30 to 10:45.
I would direct your attention to the cc on this memo. You are the second individual that was cc'd on this, Mickey Kantor, on here.
Do you recall—do you ever recall seeing this memo before?
Answer. I have no recollection of this memo whatsoever.
Question. Okay. Do you know if you attended an APAC vote event in—in or around September of 1992, in California?
Answer. I am virtually certain that I did not attend any event of this nature in California in 1992 in September.
Question. Do you know who Nora Lum is?

Answer. I am not certain. I have only read the name Lum in newspapers.
Question. Okay. Do you know if you ever met Ms. Lum in 1992?
Answer. I have no recollection of ever meeting Ms. Lum in 1992.
Question. Do you know if you have met her any time since 1992?
Answer. I have no recollection of meeting Ms. Lum at any time since.
Question. Do you know who Dalia Traynham is?
Answer. I am not sure. I don't know. When I became Secretary of Commerce, there was a Dalia in the office that had worked for Secretary Brown and I am not sure if it is the same person or not.
Question. I think that may be the same person.
Answer. If it is, of course, yes, I do know her. I am just not——
Question. The secretary.
Answer. If it is, then, of course, I do know her and I met her on April 12th, 1996.
Question. And did it—if this is the same Dalia, or if the person that you are referring to as Dalia was there when you arrived at the Commerce Department in April of 1996, did she stay on at the Commerce Department while you were there?
Answer. Yes, she did.
Question. All right. Did she——
Answer. If it is the same person, and I am not certain of that.
Question. I understand.
Answer. Okay.
Question. And did that individual that you are referring to as Dalia, did she stay on and work for you in any capacity in 1996?
Answer. She worked in the Office of the Secretary, as she did when I arrived, and continued the duties that she had under Secretary Brown.
Question. Okay. Do you have any knowledge of this Dalia that you are referring to—do you know if her name is Dalia Traynham?
Mr. ROBBINS. I think he answered that.
The WITNESS. I am sorry. I have no recollection.

EXAMINATION BY MS. COMSTOCK:

Question. Okay.
Answer. If it is, if it is the same person, then I have answered the question.
Question. Okay. Do you have any knowledge of how the woman that you know as Dalia maintained any of the records of Secretary Brown during the transition between Secretary Brown and your coming to the Commerce Department?
Answer. I have no knowledge of that.
Question. Okay. Have you—do you have any knowledge about Ms. Traynham shredding any documents from Mr. Brown's office?
Answer. I have no knowledge of that.
Question. Do you know who Melinda Yee is?
Answer. Yes, I know who Melinda Yee is from newspaper accounts.
Question. Okay. Did you meet her at any time during the campaign?
Answer. Not to my—I don't recall ever meeting Melinda Yee during the campaign.
Question. Again, do you know if you met her at any time during your service in the administration?
Answer. I can't ever remember meeting Ms. Yee at any time. I don't recall any point where I met Melinda Yee.
Question. Okay. Do you have any knowledge about any organizations in California that were directed towards Asian Pacific fund-raising efforts in 1992?
Answer. I have no specific knowledge whatsoever of any particular organization, Asian organization, who was involved in the 1992 fund-raising effort.
Question. Were you aware of Ron Brown working with any particular Asian Pacific fund-raising groups in California in 1992?
Answer. No.
Ms. COMSTOCK. Okay. I would like to make the memo of September 14th, 1992 to Dalia Traynham from Melinda Yee Deposition Exhibit No. 1.
[Kantor Deposition Exhibit No. MK–1 was marked for identification.]

[Note.—All exhibits referred to may be found at end of the deposition.]

EXAMINATION BY MS. COMSTOCK:

Question. Did you have contact with Webb Hubbell during the 1992 campaign?
Answer. Yes.
Question. Can you describe what that contact was?

Answer. In order to answer that question, I have to give you some background. I met Webb Hubbell over 10 years ago when we were co-counsel in two cases involving litigation in Indianapolis, Indiana and Little Rock, Arkansas. Mr. Hubbell had been retained by the law firm of Davis Polk, which is a New York law firm, to represent an insurance company, and I was also retained by that insurance company to be co-counsel with Mr. Hubbell after Davis Polk had brought him in as local counsel. We worked together on those cases and became very close friends as a result of that.

We kept in touch over the years after the cases had been completed and, of course, when my family moved to Little Rock we maintained that relationship. And so our conversations during 1992 could have ranged from social to political with everything in between.

Question. Okay. Was that the Sun-America work that you referred to?

Answer. It was Sun Life of Atlanta, Georgia at that point, much—it was then known as Sun-America.

Question. Was that Mr. Eli Broad?

Answer. He was the chief executive officer, but I really worked directly for Dan Kelly, who was the general counsel.

Question. Were there particular matters that you worked with Mr. Hubbell on during the 1992 campaign?

Answer. From time to time we would discuss certain issues in general or specifically, but I can't recall particular matters that we worked on together.

Question. Okay. When issues pertaining to Whitewater in 1992 arose in the campaign, did you work with Mr. Hubbell on any of those matters?

Answer. I can't recall any specific conversation with Mr. Hubbell regarding that issue when it arose. However, I assume that others in the campaign were in contact with him, including Jim Lyons, who wrote the report during the campaign to try to clarify the matter.

Question. Okay. Do you know if you were in touch with Mr. Lyons on those matters?

Answer. Oh, yes, I was.

Question. All right. And what was your role in working with Mr. Lyons on that matter?

Mr. BALLEN. I am going to object to the relevancy of the question as to what Mr. Kantor did on Whitewater during the 1992 campaign. I did not realize we were going to have an investigation of Whitewater. That has already been investigated by Independent Counsel and a full 2 years of Senate hearings. If we are going to relive all of that, we are going to object unless you can explain how it relates to the resolution.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. We are discussing Mr. Hubbell, which you have indicated that Mr. Hubbell probably had worked on these matters, and I also wanted to, in relation to that, discuss what your role was in that.

Mr. ROBBINS. Now, there is a pending objection, which I think I would like to echo. I assume at some point you are going to bring this around to fund-raising, which you told us at the outset, I made a note, that your jurisdiction is fund-raising improprieties. Are you planning to get to any of those this morning?

Ms. COMSTOCK. Yes. I also referred to, in the opening, the Committee Report 105-139, which outlines a number of areas. We could go through those areas if you would like to discuss the various areas.

Mr. ROBBINS. Can you point to the one that deals with this report on Whitewater done during the 1992 campaign? If you could just direct me to the part that talks about Whitewater.

Ms. COMSTOCK. Reading from House Report 105-139, matters pertaining to Webster Hubbell, it is in a paragraph in the report, which is all legal matters arising out of or in connection with work conducted by Mr. Hubbell. It also discusses all contacts with Mr. Hubbell by the President, First Lady, James Blair, Mickey Kantor, who is the deponent today, and a number of other witnesses. It is also all contact with Federal agency officials. It goes on also to discuss, at the bottom of page 3, all contacts with Democratic fund-raisers and/or donors and any attempts at obstructing any investigations relating to Webster Hubbell, the Rose Law Firm, the First Lady and/or the President.

I believe the Whitewater matter was in connection with the Rose Law Firm. Is that correct, Mr. Kantor?

Mr. BALLEN. There is a pending objection.

Mr. ROBBINS. The objection is that when you—if you want to talk about his relationship with Mr. Hubbell, he is prepared to answer the question. If you want to talk about what was reported on during the campaign about Whitewater, I haven't heard that itemized in that laundry list you just gave us. If you would like to get to Webb Hubbell relationships, you are free to do that and he is prepared to answer each and every question you have got as soon as you get to it.

Ms. COMSTOCK. Mr. Kantor has already indicated that Mr. Hubbell did work on Whitewater matters.

The WITNESS. No, I didn't.

Mr. ROBBINS. That's your testimony.

The WITNESS. If I could clarify, and if I misstated it, I apologize, I think I made it clear that I wasn't specifically aware, nor do I recall Mr. Hubbell working on so-called Whitewater during the 1992 campaign. I worked with Mr. Lyons, who was commissioned to do a report on that matter. I did not work with Mr. Hubbell on that matter.

EXAMINATION BY MS. COMSTOCK:

Question. To your knowledge, did Mr. Lyons work with Mr. Hubbell on that matter?

Answer. You would have to ask Mr. Lyons.

Question. Okay. And you have no knowledge of Mr. Lyons working with Mr. Hubbell?

Answer. Mr. Lyons handled that himself, and I don't know whether he did or he didn't.

Question. Okay. Were you aware of any problems that Mr. Hubbell had with the Rose Law Firm in 1992?

Answer. In 1992? No.

Question. Okay. Were you aware of any issues related to billing disputes in 1992?

Answer. No.

Question. Were you aware of any, from your working with Mr. Lyons on the Whitewater reports, were you aware of any issues connected with Mr. Hubbell in relation to Whitewater matters?

Answer. No.

Question. Did you ever have any discussions with the President or the First Lady about any Whitewater matters related to Mr. Hubbell?

Mr. ROBBINS. Let me just—the phrase "any Whitewater matters relating to Mr. Hubbell" I find—I personally—maybe Mr. Kantor is better at deciphering words like that. I haven't the faintest idea what that sentence means. Whitewater matters relating to Mr. Hubbell? What do you mean by Whitewater matters?

EXAMINATION BY MS. COMSTOCK:

Question. If the witness, in discussing any of these matters with the President or the First Lady, this is Whitewater matters, if any of these matters related to Mr. Hubbell in connection with Whitewater arose in those discussions?

Mr. ROBBINS. See, the problem is that Whitewater has become the all-purpose jargon in this city to describe absolutely anything that people want to use to criticize the incumbent administration or the people that work for it. And I don't know if you are using it in a colloquial sense, I don't know if you are using it in a narrow way to describe a particular land transaction in Arkansas, or somewhere in between. And maybe Mr. Kantor can read your mind but I can't. So if you want to tell him what you mean by that sentence, by what you mean by Whitewater matters, you can do that, but I won't let him answer a question that is phrased in that way.

EXAMINATION BY MS. COMSTOCK:

Question. We are talking in the 1992 time frame about the real estate transactions and various issues that arose in that, and whether in the context of your conversations with the President or First Lady, if any matters related to Webster Hubbell in that context arose?

Answer. With regard to that real estate transaction, as you have phrased the question, I have never discussed that transaction with the President or the First Lady that in any way relates to Webb Hubbell.

Question. Okay. Did you—at the end of the campaign, did you then work on the transition?

Answer. I was a member of the transition board of directors.

Question. Okay. What was your role in that position?

Answer. Well, as a member of the board, we discussed generally the organization and shape of the new administration. However, I had a specific assignment in organizing and directing the so-called economic conference which was held in Little Rock in early December 1992.

Question. Okay. And did there come a time when you were appointed to be—to head up the USTR office?

Answer. Yes. The President announced his choice of me for that position on December 24, 1992.

Question. And had the President himself asked you to take that position?

Answer. Yes.

Question. Were you involved in considering other people for positions in the administration?

Answer. The transaction board generally discussed a whole host of names of people who would be qualified to serve in high positions of the administration. I can't recall any specific discussions about positions and people who would be best suited to serve in those positions.

Question. Were you involved in any vetting of any nominees for any positions?

Answer. No.

Question. During the 1992 campaign, how often did you see Mr. Hubbell?

Answer. Could you clarify that question, because it—I don't know what the implication is. Tell me—because we saw Mr. Hubbell and his family quite often on a social basis. If you are asking professionally or politically, that's a different question. So if you could clarify it, it would help me.

Question. I believe you have testified that you moved to Little Rock in the summer of 1992.

Answer. Yes.

Question. At that time, did you see Mr. Hubbell then frequently socially?

Answer. Oh, yes, and his family.

Question. All right. Did you also work with him on a day-to-day basis?

Answer. No.

Question. All right. How often did you work with him on campaign matters?

Answer. Mr. Hubbell did not work on the campaign. He was not part of it. We would talk from time to time generally about how the campaign was going, but he was not a part of the campaign in terms of working on it on a day-to-day basis.

Question. When you moved to Washington to be part of the administration, did you also keep in touch with Mr. Hubbell at that time socially also?

Answer. Yes. Just to be—to totally round this out, my family moved back to Los Angeles after the President was elected on November 5th. I lived with Mr. Hubbell and his family for 6 weeks during the transition process before I came to Washington to prepare myself for my confirmation hearings and to take over the job as United States Trade Representative.

Question. During that time when you were with Mr. Hubbell or anytime after that, did you learn that he had documents that he had maintained from the campaign regarding Whitewater?

Answer. Not specifically, and I am not sure what time frame you are talking about.

Question. Maybe initially the time frame——

Answer. I am sorry. You will have to be more specific. I apologize.

Question. The time frame when you lived with Mr. Hubbell, were you aware of him maintaining documents relating to Whitewater that had been gathered during the campaign?

Answer. I don't recall any specific conversations, except I generally knew that campaign documents maintained by certain people in the campaign had been gathered together and had been stored under Mr. Hubbell's jurisdiction.

Question. Okay. How did you learn about that?

Mr. ROBBINS. Just one thing. Your question, as I heard it, had to do with Whitewater documents. Now, are you using Whitewater, again, to refer to a land transaction in Arkansas?

EXAMINATION BY MS. COMSTOCK:

Question. I am referring to documents that were gathered during the campaign, whatever——

Answer. I understood you meant just generally documents, because I don't know what the—let's just—I can answer it.

Mr. ROBBINS. Okay. Go ahead.

The WITNESS. Generally, I was generally aware that Mr. Hubbell had certain documents from the campaign under his jurisdiction. I had no idea what those documents were and never saw them.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. Do you know if some of them were legal documents?
Answer. I have no idea what they were.
Question. And how did you learn that he had gathered some type of documents from the campaign?
Mr. BALLEN. I don't believe that was his testimony. His testimony was that documents—not that Mr. Hubbell had gathered the documents.
The WITNESS. No.

EXAMINATION BY MS. COMSTOCK:

Question. You were aware that he had documents in his possession from the campaign, is that correct?
Answer. Yes, and I had no idea what those documents were. I never inquired. I never saw the documents. I don't know to this day what they were.
Question. I understand. How did you learn that he had those documents?
Answer. I can only—I shouldn't assume but I am going to for this purpose. I would only assume that he must have told me.
Question. All right. But do you recall him telling you anything?
Answer. I don't recall that. I don't recall how I learned it.
Question. Okay.
Mr. ROBBINS. I also don't want the record to have any suggestion that these documents are Whitewater within the meaning of the prior question simply because that word was used somewhere, embedded in one of the chain of questions that led to the last answer.
Ms. COMSTOCK. I think the witness' testimony is clear that he didn't know what the particular documents were.
Mr. BALLEN. I am also going to object, again, for the record to these kind of questions, this line of questioning.

EXAMINATION BY MS. COMSTOCK:

Question. Did there come a time when you learned that those documents—that documents that had been maintained during the campaign had been transferred to Washington in 1993 at any time?
Answer. I don't recall specifically. However, I think I recall newspaper articles of some kind at some point saying that they had been brought here by Mr. Hubbell, but that's all I understand.
Question. Okay. Did you have any knowledge of Mr. Hubbell maintaining documents in his basement that were generally campaign-related?
Answer. I can't recall. Frankly, there is, after all of these years, confusion as to what you have read in the newspaper and what someone may or may not have told you. I became aware at some point that the—I assume but I don't know the documents that you are talking about were maintained by Mr. Hubbell. I don't know—where they were physically, I have no idea.
Question. Do you have any knowledge of how you learned about those?
Answer. I can't—I have—I can't recall.
Question. Did there come a time when you learned that Mr. Hubbell was having legal problems with the Rose Law Firm?
Answer. Yes.
Question. How did you learn that?
Answer. From Mr. Hubbell and from the newspapers.
Question. All right. And what did Mr. Hubbell tell you?
Mr. ROBBINS. Tell him when? Do you have a date in mind?

EXAMINATION BY MS. COMSTOCK:

Question. I am asking, when did you learn of these matters—when did Mr. Hubbell tell you of the problems?
Mr. ROBBINS. When did he first tell him, or tenth time tell him or hundredth time tell him? Which time do you want?
Ms. COMSTOCK. All of them.
Mr. ROBBINS. All of them? Do you really want all of them in the answer to one question, or would you like to start with the first—the earliest conversations?

EXAMINATION BY MS. COMSTOCK:

Question. We can start with the first.

Answer. I can't recall a specific date. I do recall it was the spring of 1994, probably early March.

Question. And what did Mr. Hubbell tell you in that initial conversation?

Answer. He told me that his law firm had raised the issue of a case he had handled for his father-in-law, regarding the payment of an expert witness, and that his law firm was upset that the expert witness fees had not been paid by his father-in-law and were attempting to—or were claiming that Webb had—Webb Hubbell had an obligation to pay those fees, and he also indicated that there were certain other expenses or charges related to the law firm that were not properly documented.

Question. Okay. And what did he tell you about those expenses?

Answer. Only that if he could have access to his files or his—or the documentation, there would be no problem.

Question. Okay. Do you know if he, in fact, had access to these documents?

Answer. I have no idea.

Question. What did he tell you he was going to do about those problems?

Answer. I don't specifically recall, except that he seemed fully confident at that point that he could resolve these matters with his law firm.

Question. Okay. And do you recall what you said to him?

Answer. Not specifically, except that I, as a friend, attempted to convince him that the quicker he could resolve the matter the better it would be for him.

Question. Did he indicate with whom he had been speaking at the firm about these matters?

Answer. He may have, but I don't remember. I wouldn't remember the name.

Question. All right. Did you ever have any discussions with anybody at the Rose Law Firm?

Answer. No.

Question. In this initial conversation, do you recall if you had that in person or on the phone?

Answer. I can't recall. And I can't even recall whether I read it first in a newspaper article or I was told first by Mr. Hubbell. I just can't recall at this point.

Question. All right.

Mr. ROBBINS. By the way, Ms. Comstock, in an earlier question, a few questions ago, you asked did you ever have conversations with anyone at the Rose Law Firm. I assume that you meant by that any conversations with anyone at the Rose Law Firm concerning the subject of a dispute between Hubbell and the Rose Law Firm? Or were you saying any conversations any time with anyone?

EXAMINATION BY MS. COMSTOCK:

Question. I was referring in the context of the questions about——

Answer. I understood it was in the context—I probably should say, in the context of what I think is March 1994.

Question. Uh-huh.

Answer. Obviously not 10 years or 7 or 8 years before when we handled litigation together. Obviously that would be a different situation.

Question. Okay. I understand that.

I am showing the witness a Wednesday, March 2nd, 1994, Washington Post article, which is entitled, quote, law firm probing Hubbell; billing irregularities alleged; Clinton aide denies.

Does this refresh your recollection as to whether or not you read news articles before or after you spoke with Mr. Hubbell?

Answer. It doesn't clarify in my mind whether I learned from Mr. Hubbell first or read this article first, or any other article for that matter.

Question. Okay. Directing your attention to paragraph 2 of the article, it says, quote, the internal investigation began in the summer of 1992, and the firm is considering notifying the Resolution Trust Corporation and several other major clients of billing irregularities, according to a source familiar with the matter. The firm also has been weighing whether to inform the State Bar Association.

Do you recall if you had any discussions with Mr. Hubbell about any matters related to the RTC in this initial conversation?

Answer. I can't recall any specific conversation about the RTC.

Question. We haven't gone on to some of the other subsequent discussions you had, but do you generally have a recollection of discussing in subsequent—in initial or subsequent conversations with Mr. Hubbell any matters related to the RTC?

Answer. I don't recall specific discussions about the RTC. However, to be—to be as clear as possible, if there was any discussion, it would have been only in the context of how Mr. Hubbell might justify his expenses which were under question.

Question. Okay. Aside from talking with Mr. Hubbell or news accounts, did you have any other knowledge about anything relating to these billing irregularities?

Answer. No.

Question. Did you ever talk with Jim Blair about any of these matters in or around March of 1994?

Answer. I had one conversation with Jim Blair, that I can recall, in 19—in March 1994, but that involved a general conversation which lasted only a few minutes, concerning or regarding his conversation over the dispute between the Rose Law Firm and Mr. Hubbell.

Question. And could you describe what that discussion was about?

Answer. Well, I—I will describe what I can recall. It was a short conversation. Mr. Blair indicated to me that he thought the dispute between the Rose Law Firm and Mr. Hubbell was more serious than he had previously believed.

Question. Is that all you recall about the conversation?

Answer. That's all I recall.

Question. Did he say anything to you about what he thought Mr. Hubbell should do?

Answer. Not that I recall.

Question. All right. Do you recall any other conversations that you had with Mr. Hubbell at or around March of 1994 about the billing irregularities, or about—in general? I mean, I am referring to the matters addressed in the March 2nd article and general matters relating to that in March of 1994.

Answer. I don't recall any more specific conversations than I have already described during that period of time.

Question. Do you know if you had any discussions with anybody at the White House about the billing irregularities?

Answer. I can't recall any conversation with anyone at the White House about billing irregularities.

Question. Or do you have any recollection of any discussions with anyone at the White House about Mr. Hubbell at or around March of 1994?

Answer. Well, Mr. Hubbell just generally?

Question. Yes.

Answer. Yes.

Question. And what were those discussions regarding?

Answer. Well, the only—the one conversation I can recall, and I can't recall the date, I just know generally it was in this time period, is I had one conversation with Mr. McLarty, who was then chief of staff, who called to ask about how Webb was—Mr. Hubbell was doing, how difficult it was on him emotionally, and asked me my—frankly, my assessment as to what he might do.

Question. What did you tell Mr. McLarty?

Answer. As I recall, I told him that it was a difficult situation for Mr. Hubbell and that it was up to him as to what decision he was going to make, whether or not he remained at the Department of Justice.

Question. When you say it was up to him, you mean him, Mr. Hubbell?

Answer. Up to Mr. Hubbell.

Question. And what did Mr. McLarty say to you?

Answer. The conversation ended at that point.

Question. Okay. Do you recall if this was before or after Mr. Hubbell resigned?

Answer. From what I recall, it probably occurred before he resigned, but I really—I can't recall, but the nature of the conversation that I recall was such, it probably was before he resigned. But I can't—I really can't recall at this point.

Question. All right.

Ms. COMSTOCK. I would like to make this Washington Post article of March 2nd, Deposition Exhibit No. 2.

[Kantor Deposition Exhibit No. MK–2 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I believe you previously indicated you didn't know if you had—in this initial conversation if you had talked to Mr. Hubbell in person or on the phone. Is that correct?

Answer. I just don't recall.

Question. Okay. I am showing the witness GRO 1169, which is——

Answer. I am sorry. I apolcgize. I did not hear you.

Question. This is a phone call record of March 2nd, 1994 that has been produced to the committee by Mr. Hubbell. It is marked GRO 1169.

Mr. BALLEN. Excuse me. Produced to the committee by Mr. Hubbell?

Ms. COMSTOCK. Yes. These were produced by Mr. Hubbell in 1995, I believe. They have also been produced this year by the Justice Department.

EXAMINATION BY MS. COMSTOCK:

Question. Directing your attention to the third entry on the phone call logs——

Answer. Uh-huh.

Question. It says Mickey Kantor, March 2nd, 8:15.

Answer. I am sorry. Is it 8:15 or 3:15? I can't tell.

Question. I think it is 8:15 because the others on top look like 8s. It looks like it is in sequential order.

Answer. Excuse me. Okay.

Question. But, again, it is—well, if it is a 3, it looks fairly different on the page. Does this refresh your recollection as to whether or not you ever called Mr. Hubbell on the morning that this March 2nd article appeared in the Post?

Answer. Well, if this record is accurate, it appears that I or my secretary did place a call, but it is not clear that we talked. All it says is that Mickey Kantor telephoned and said to please call. So I don't draw any conclusion from this.

Question. Okay. And the phone number on the message, [redacted], is that your work phone number?

Answer. It isn't now. It was.

Question. In 1994, that was your work phone number?

Answer. Yes.

Ms. COMSTOCK. I will make that Deposition Exhibit No. 3.

[Kantor Deposition Exhibit No. MK–3 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is GRO 1172, another March 2nd, 1994 phone log. The second entry here reflects a telephone call to Mr. Hubbell at 2:50 from Mr. Kantor. Again the message reads, telephoned, please call. Does this refresh your recollection as to whether or not you may have spoken to Mr. Hubbell about the news article?

Answer. As I said, I don't recall that I spoke to him on that date or not.

Ms. COMSTOCK. Okay. I will make that Deposition Exhibit No. 4.

[Kantor Deposition Exhibit No. MK–4 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. In your conversations with Mr. Hubbell, aside from the initial conversation that you recalled, do you recall other conversations that you had with him leading up to his resignation of March 14th, 1994?

Mr. ROBBINS. I am sorry. Could I have the question read back, please?

[The reporter read back as requested.]

EXAMINATION BY MS. COMSTOCK:

Question. I am talking about your initial conversation about the billing irregularities. And if you could walk us through any other conversations you had with him leading up to his resignation.

Answer. If I could make it clear, and I am sorry if I didn't, I don't recall when the initial conversation took place. I had a number of conversations with Mr. Hubbell during that period of time leading up to his resignation. I obviously can't specifically recall which conversation was the first and which one first raised the issue of billing irregularities. However—because I don't specifically recall that. However, I did have a number of conversations with him during that period of time.

Question. Okay. And in those conversations, did he tell you anybody else that he had talked to about these matters?

Answer. The only person I can specifically recall he referred to was John Nields, who I didn't know at that point. And, of course, his wife, Suzy Hubbell.

Question. Did he indicate whether he talked to the President about these matters?

Answer. No.

Question. No, he didn't indicate?

Answer. He didn't indicate, and there was no indication whatsoever he talked to the President about these matters, then or ever.

Question. And did he ever indicate if he talked with the First Lady about these matters?

Answer. He didn't indicate he had talked to the First Lady about these matters, then or ever.

Question. And do you know if he talked to Vernon Jordan about these matters prior to his resignation?

Answer. I have no recollection that he said he had talked to Vernon Jordan about these matters.

Question. Do you know if he talked to Michael Cardozo about these matters prior to his resignation?

Answer. Michael Cardozo was involved in a conversation with me with Mr. Hubbell, I believe in Mr. Hubbell's living room for a few minutes during the weekend prior to his resignation. I can't recall specifically whether or not we talked about billing irregularities or not, or merely talked generally about the—what appropriate action he should take.

Question. Do you recall what was discussed with Mr. Cardozo and Mr. Hubbell on that day, at the time before the resignation?

Answer. I don't have a specific recollection. However, I believe we talked generally about whether or not Mr. Hubbell should resign.

Question. Do you recall what you said about that?

Answer. Generally, yes.

Question. What did he tell Mr. Hubbell?

Mr. BALLEN. Was it at that time, that particular conversation with Mr. Cardozo, or in general?

The WITNESS. During that weekend and at that conversation, I think it was the same. My advice was the same throughout the weekend. I was concerned about Mr. Hubbell as a friend. I thought it would be difficult for him, given the allegations of ethical improprieties and the concerns of the law firm for him to clarify this matter while remaining at the Justice Department.

EXAMINATION BY MS. COMSTOCK:

Question. What was Mr. Hubbell's response?

Answer. During the weekend he came to a point where he agreed with what I said, but others said as well.

Question. Do you know who the others were?

Answer. Mr. Cardozo was one. I don't know who the others were.

Question. Do you recall what Mr. Cardozo said?

Answer. Not specifically.

Question. Do you know if Jim Blair had talked to Mr. Hubbell?

Answer. I have no recollection or any idea whether Jim Blair talked to Mr. Hubbell or not.

Question. Do you recall if you talked to Mr. Blair about Mr. Hubbell resigning?

Answer. I think I described my conversation with Mr. Blair.

Question. Did you discuss—I am sorry, did you discuss with him Mr. Hubbell resigning?

Answer. All I can recall is Mr. Blair telling me he thought the situation involving the law firm, the Rose law firm, and Mr. Hubbell was more serious than previously believed.

Question. Did he tell you whether he thought Mr. Hubbell should resign?

Answer. As I said, that is all I remember about the conversation.

Question. I would like to also make another phone record, a phone call, Mr. Kantor to Mr. Hubbell, on March 3rd, 1994, Deposition Exhibit No. 5.

It is a 9:55 call on March 3.

[Kantor Deposition Exhibit No. MK–5 was marked for identification.]

Mr. ROBBINS. I would like the record to reflect that this set of phone records, like the previous two that have been marked as exhibits, in fact do not reflect the year that these phone calls took place; and so all we have at this point is the assumption built into the series of questions that have been put to the witness.

To my reading, all you can tell from these documents is the month and the day, but not the year. So to the extent that any prior question is premised on the assumption that it took place in 1994, I think the record should reflect that you cannot tell that from the face of the document, as far as I can see.

Ms. COMSTOCK. That is correct. It is not on the document itself. It has been represented to us by Mr. Hubbell and by the Justice Department as phone records from 1994.

Mr. ROBBINS. We are not—the witness and counsel are not disputing the year.

Ms. COMSTOCK. You are correcting what is on the——

Mr. ROBBINS. It is not obvious from the face of the document.

EXAMINATION BY MS. COMSTOCK:

Question. I believe you had said over the weekend that Mr. Hubbell came to the realization that he should resign; is that correct?

Answer. I think my words were that he made a decision that he should resign.

Question. Could you describe that process, if there was an evolution of his thinking on that?

Answer. I can only generally describe it. I would not describe it as a process.

Mr. Hubbell had a conversation, which I described, with me. I was there for a brief period of conversation with Mr. Cardozo. I don't know who else Mr. Hubbell talked to among his friends, if anyone. And I—he came to the conclusion at some point during the weekend that he should resign.

Question. What did he is say to you about that?

Answer. I can't specifically recall. He just said he thought it would be in the best interest of his family and the situation for him to resign.

Question. Did you have an understanding that he was going to do that imminently?

Answer. I am sure at some point he must have described for me the timing of when he would announce that decision.

Question. Did you assist him in any way in——

Answer. Not specifically. I can't recall what I may have said. I may have generally given him advice as to what may be the most appropriate way in which to do it, but it would only be general advice.

Question. Do you recall what that was?

Answer. No. No, I do not.

Question. Did you ever discuss with Mr. McLarty what Mr. Hubbell would do in terms of jobs if he left the Justice Department?

Answer. I have no recollection of any discussion with Mr. McLarty about Webb Hubbell and his employment after leaving the Justice Department.

Question. To put it into the time frame, Mr. Hubbell resigned on a Monday, which was March 14, and the weekend preceding that was March 13, Sunday, and March 12.

Were you aware of any meetings over the weekend at the White House in which Mr. Hubbell's situation was discussed?

Answer. No.

Question. Did you participate any meetings at the White House over that weekend?

Answer. No.

Question. I am showing the witness a document which is marked EOP 20328, which has been identified to the committee as notes of Mack McLarty's. They are undated. They have indicated that they are from at or around the time of March 1994.

Mr. BALLEN. For the record, I do not—maybe it is because we haven't been informed of it by the White House—we have never received an indication of when these notes were prepared.

Ms. COMSTOCK. The White House Counsel has indicated to us that these were notes of Mr. Mack McLarty. That was oral. Although there is not a date on them so that is their best estimate also. So I think the record reflects that these notes are undated handwritten notes of Mr. McLarty.

EXAMINATION BY MS. COMSTOCK:

Question. The notes refer to Ron Perelman at the top, Truman Arnold; B, initial B, Rapoport, others. And then the next is consulting arrangements and then the document reads, law firms reluctant to touch him, and then—and then it reads Mickey to help, Vernon, and then there is sort of checks, kind of referring also to help, it appears, to above—but again this is my interpretation. And then the bottom is difficult to read; something about agreement, and then Christine.

Does this refresh your recollection as to whether you had any discussion was Mr. McLarty about helping Mr. Hubbell on work or any consulting arrangements?

Answer. I have obviously never seen this piece—I have no knowledge of these notes, whoever's notes they are.

Question. They have been represented by Mr. McLarty's attorney, to us and the White House orally, as McLarty's notes. I apologize that we do not have a production log from the White House, and we have asked for one since March 4, 1994, but they have not provided us with any written explanation for these notes. We have had to rely on oral ones despite our repeated requests.

I do apologize to the witness, but this is something the White House has not provided us in written form.

Mr. ROBBINS. Let me ask you, you have reported that it has been represented to you that these are notes of Mr. McLarty. Has it also been represented to you with whom he was talking when he made these notes or with whom—what conversation these notes purport to memorialize?

Ms. COMSTOCK. The White House counsel has referenced these as notes pertaining to Mr. Hubbell.

Mr. ROBBINS. My question, you put a question to this witness—you asked him, does this refresh your recollection that you said something to Mr. McLarty that could have given rise to these notes. I am sure it was not your intention, but that kind of a question contains as a premise that it might actually have been Mr. Kantor who was speaking to Mr. McLarty and thus gave rise to these memos, to these notes.

I am fairly certain that you know that it was not Mr. Kantor who spoke to Mr. McLarty in a way that was memorialized here, because in the very same representation in which you were apparently told that these were Mr. McLarty's notes, I rather suspect that you were told who Mr. McLarty was talking to that gave rise to these notes; and my question is, as you sit here today, do you know from the same representation that you are referring to who it was McLarty was talking to that gave rise to these notes?

Ms. COMSTOCK. There has been some reference in the newspapers. We have gotten very general representations from the White House about these notes. We have not talked to Mr. McLarty at this time about these notes.

I am just asking the witness very generally if he has any knowledge as to ever discussing with Mr. McLarty anything about helping Mr. Hubbell.

Mr. ROBBINS. I thought your question was, does it refresh your recollection? Usually when lawyers ask questions like that, they mean to suggest that these are notes that could conceivably have been notes of a conversation between this witness.

Ms. COMSTOCK. That is not what I said in my question.

Mr. ROBBINS. That is not what you said. That is the premise of it. I suspect that you know pretty well who was on the other end of this telephone conversation.

Ms. COMSTOCK. I don't know that this was a telephone conversation. These notes were created, and we have not been given any representations as to how these notes were created. There have been some news reports about Mr. McLarty having conversations with the First Lady about these, but I have no idea even if these are those notes.

The WITNESS. Let me——

Ms. COMSTOCK. We will find out if anyone has any recollection about anything. These are notes which indicate, Mickey to help. I am just trying to see if you know anything about ever talking to Mr. McLarty about helping Mr. Hubbell in any kind of consulting arrangements or employment arrangements.

The WITNESS. Let me try to answer the question without jousting anymore.

One, I know nothing about these notes.

Number two, I don't know how these notes were generated.

Number three, I don't even know who "Mickey" refers to.

Number four, I never had any discussion with Mr. McLarty during that period or subsequently about Mr. Hubbell's pose government employment. However, I did have a conversation with Mr. McLarty during the weekend in question or on the Monday in question or during that next week regarding Mr. Hubbell's general emotional condition and the condition of his family.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know if in that conversation you ever had any—that you ever referenced to how you—that you were going to help Mr. Hubbell in any way?

Answer. I have answered that question. I did not have any discussion with Mr. McLarty, to my recollection, about anything I was ever going to do about helping Mr. Hubbell or his family in any way.

Question. Is there another Mickey that you know of that is somebody—an associate of Mr. McLarty's?

Answer. I have no idea. I can't answer that.

Question. I am asking if you have any knowledge?

Answer. You might ask Mr. McLarty. I don't know.

Question. I am asking if you have any knowledge of somebody named Mickey that Mr. McLarty——

Answer. Ms. Comstock, I am trying to be helpful to you. I know nothing about these notes. That is number one.

Number two, I think I talked to Mr. McLarty either over the weekend or on that Monday or sometime during that week. He generally inquired, and I discussed with him Mr. Hubbell's situation and the situation regarding his family.

We were all friends. I cared deeply about his family and his children, Walter and Caroline and Rebecca and Kelly, as well as his wife, Susan. But I have no idea what this means in these notes.

Question. Did you ever hear Mr. McLarty say anything to the effect of law firms were reluctant to hire Mr. Hubbell?

Answer. No.

Question. Did you ever hear anyone say anything to that effect——

Answer. I can't recall.

Question. At or around March of 1994?

Answer. I can't recall any conversation like that.

Question. Do you have any knowledge of Mr. Hubbell seeking employment with law firms in the area at or around March of 1994 or in the months——

Answer. I have no specific recollection of that.

Question. Did you ever discuss with Mr. Hubbell where he might look for work or what law firms he might approach?

Answer. Only in the most general sense that I was concerned about Mr. Hubbell, about his family, given the nature of the allegations being made by the Rose Firm. It was generally clear to his friends that it would be difficult for him to find employment until the situation was clarified. So we had general conversations, but I can't remember any specific conversation.

Question. Do you know anything about Truman Arnold assisting Mr. Hubbell in any way for employment?

Answer. No.

Question. Do you have any knowledge about Ron Perelman assisting Mr. Hubbell in getting employment?

Answer. No.

Question. Or consulting arrangements?

Answer. No.

Question. Do you have any knowledge about Harold Ickes assisting Mr. Hubbell in getting any employment or consulting contract?

Answer. No.

Question. Do you have any knowledge about Bernard Rapoport assisting Mr. Hubbell in any way in getting employment or consulting arrangements?

Answer. In getting employment or consulting arrangements, no.

Question. Did you at any time ever talk about Mr. Rapoport in the 1994 time frame about any work he was doing with Mr. Hubbell?

Answer. No. Any work he was doing with Mr. Hubbell? No.

Question. Do you have any knowledge of Vernon Jordan assisting Mr. Hubbell in getting any work or consulting arrangements?

Answer. I can't recall any specific conversation with Mr. Jordan about any of that.

Ms. COMSTOCK. I would like to mark this Deposition Exhibit Number 6, notes of Mr. McLarty's.

[Kantor Deposition Exhibit No. MK–6 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. On March 14, when Mr. Hubbell resigned, do you recall if you talked with him on that day when he resigned?

Answer. I can't recall specifically any conversations, but it would have been quite unusual had I not talked to him that day.

Question. Do you recall if you got together at or around that time?

Answer. I can't recall that day. It is a very vague in my memory. I was 58 yesterday, so I do not remember things very well. The fact is, I am sure that it would have been quite unusual had I not gotten together with him at some point during that day.

Question. Do you recall if you went over to his office?

Answer. I can't recall. Well, I do not recall ever going to the Justice Department or to his office. I just can't recall specifically, but I am just trying to be helpful. I am sure at some point during the day we got together.

Question. Again, do you recall if he indicated if he talked to anybody at the White House about this on that day?

Answer. I do not recall Mr. Hubbell ever telling me he talked to anyone at the White House about this situation at all.

Question. To your knowledge, to this day, do you know if Mr. Hubbell ever had any conversations with the President or First Lady about his resignation?

Answer. Which one? I am sorry.

Question. To your knowledge, do you know if the President ever had any conversation was Mr. Hubbell?

Answer. About?

Question. About Mr. Hubbell's resignation?

Answer. I have no personal knowledge of that, if there were any conversations at all.

Question. Have you heard from anybody else about such conversations?

Answer. No.

Question. And the same with the First Lady?

Answer. I would give the same answer with regard to the First Lady.

Question. Did you ever talk with David Kendall about any matters related to Mr. Hubbell's resignation?

Answer. Not that I recall.

Question. Were you aware of any joint defense agreements proposed regarding Mr. Hubbell's legal problems?

Mr. ROBBINS. Any joint defense agreements proposed regarding——

Ms. COMSTOCK. Mr. Hubbell's legal problems.

Mr. BALLEN. Is there a time frame to that question?

EXAMINATION BY MS. COMSTOCK:

Question. At any time, if you ever discussed with Mr. Hubbell joint defense agreements relating to his legal problems?

Answer. I do not understand the question. I am sorry.

Mr. ROBBINS. You will have to give me a minute.

Ordinarily, I would make a privilege objection to a question regarding the existence of joint defense agreements. That would obviously call for privileged information, but we may be able to cut through this.

The WITNESS. No.

EXAMINATION BY MS. COMSTOCK:

Question. Did you have any knowledge about John Phillips assisting Mr. Hubbell with any type of work?

Answer. At what point?

Question. In or around the spring of 1994.

Answer. No.

Question. At any time during 1994 were you aware of him assisting Mr. Hubbell with any work?

Answer. No.

Question. Have you subsequently learned of such assistance?

Answer. Subsequently, yes.

Question. When did you learn of that?

Answer. At some point—it could have been as late as 1996. I am sorry, I will have to—I apologize. I do not recall when, but it was much later than 1994. It could have been as late as in 1996 at some point.

There was an article, I believe, in the Los Angeles Times—it could have been another newspaper—that Mr. Phillips discussed with me regarding his help with regard to some arrangement Mr. Hubbell had with a foundation in Los Angeles. But up until that point—and I am sorry, I can't remember this date, but it could be as late as in 1996 sometime. In fact—well, I can't remember, I am sorry. I just can't remember.

Yes, I did discuss it at that point with Mr. Phillips.

Question. What did you discuss with Mr. Phillips?

Answer. He just described the situation to me.

Question. How did he describe it?

Answer. Well, much like it was described in the newspaper, that Mr. Hubbell had been retained or contracted with a foundation in Los Angeles to write an article or a tract regarding government service, and he was to be paid $40,000; and that Webb did not—Mr. Hubbell did not perform on the contract, and John was embarrassed—Mr. Phillips was embarrassed that he had introduced Mr. Hubbell to this foundation and had advocated their retaining Mr. Hubbell for this purpose.

And so he told me that he repaid the foundation the $40,000, received a note from Mr. Hubbell or from Mrs. Hubbell—I am not sure from whom, frankly—for that amount and, in fact, told me he had already been paid some amount to begin to cover what was owed.

Question. Did he tell you that he was upset about this matter?

Answer. Yes. He was very angry at Mr. Hubbell for not performing and embarrassing him.

Question. John Phillips is a friend of yours?

Answer. He is a very good friend of mine.

Question. How long have you known him?

Answer. Twenty-four years.

Question. Were you aware of Mr. Cardozo providing office space to Mr. Hubbell in 1994?

Answer. Yes.

Question. Do you recall when you learned of that?

Answer. At some point, I do not specifically recall, I realized that Mr. Hubbell was sitting in the offices of Mr. Cardozo, because I would call him from time to time to check in on him.

Question. You would call Mr. Hubbell?

Answer. Yes, sure.

Question. What was your understanding of that office arrangement?

Answer. I had no specific understanding.

Question. Did you know if he was paying rent or not?

Answer. I had no idea.

Question. Do you know in 1994—in 1994, did you know about Mr. Hubbell working for the Lippo Group or any affiliate of the Lippo Group?

Answer. No.

Question. Did there come a time when you learned that he worked for the Lippo Group or had been paid by the Lippo Group?

Answer. I can specifically remember a New York Times article. I believe this year, 1997, with regard to that. That was the first time that I was aware that he was paid by anyone connected with the Lippo Group.

Question. Do you recall Mr. Hubbell testifying at or around February of 1996 about the matter, or being asked about the matter in testimony?

Answer. I have a general recollection that at some point—I don't know the date—Mr. Hubbell was asked about it, and as I recall and I do not even know, it was a hearing on the Hill. I do not remember which committee.

As I recall his answer, it was that he said that how he provided for his family was not their business, as I recall the answer. But I may be wrong about that. That is what I recall.

Question. Do you recall if you have ever had any discussions with Mr. Hubbell generally about that testimony, being asked about how he made money during 1994?

Answer. No. I do not have any specific recollection about discussing with Mr. Hubbell postgovernment employment until the time he went to jail. I was unaware of what his employment was at that point.

Question. What was your understanding of how he was supporting his family at that time after he left the Justice Department?

Answer. I had a general understanding, and I can't specifically recall conversations, that he was practicing law on his own and representing clients.

Question. Did you have any knowledge of who those clients were?

Answer. Not specifically.

Question. Did you have any general knowledge of any areas that he was working on?

Answer. I can't recall any specific conversations about the areas that he was working on.

Question. Do you have any general recollection of him talking to you about—that he was doing work for a client?

Answer. Only in the most general terms.

Question. What do you mean by that?

Answer. Well, that he had some clients and he was working for them; and but that it was very difficult, difficult to make ends meet financially.

Question. He indicated to you that it was difficult for him to make ends meet financially during the 1994 time frame?

Answer. Yes. And 1995, if there is another question later, I will just go ahead and answer it now, 1995 as well.

Question. Were you aware of Michael Berman assisting him to get any work during that time frame?

Answer. I have no recollection of knowing that, to this day, that Michael Berman aided Mr. Hubbell in gaining any employment during the period in question.

Question. Are you a friend of Mr. Berman's?

Answer. Yes.

Question. How long have you known him?

Answer. Twenty-eight years.

Question. Could you generally describe during the time frame of 1994 what your contact with Mr. Hubbell was?

Mr. ROBBINS. Any time in 1994?

Ms. COMSTOCK. After he left the Justice Department. Why do not we place it between March 1994 and maybe the time of his guilty plea in December 1994.

The WITNESS. Our families frequently got together. He was social. My wife and I were trying to be supportive of Webb, Mr. Hubbell, and his wife and his children. We would frequently have dinner together or to have barbecues outside, just to be as supportive as possible.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall ever meeting him at the White House during this time?

Answer. No.

Question. Do you know if he was at the White House frequently during this time?

Answer. I have no recollection that he ever told me he was at the White House during this period of time.

Question. Do you recall, at this time, did you assist Mr. Hubbell's son with finding work?

Answer. During which time?

Question. This March 1994 to December 1994 time frame.

Answer. First of all, I assume you are referring to Walter Hubbell.

Question. Yes.

Answer. Second, in 1993, Walter Hubbell worked as an unpaid intern for the United States Trade Representative's office and did a marvelous job. In 1994, when he graduated from the University of the South, his resume—he applied for a job at USTR; and it was reviewed by the staff and he was hired as a paid intern along with a few other young people.

As you know, USTR is a very small staff. We rely on interns. Mr. Hubbell had done a terrific job as an unpaid intern the year before, and the staff recommended to me that we hire him and, of course, I acquiesced to that.

In addition to that, I believe I recall one phone call I made to Mr. Jim Johnson, who is the chief executive officer of the Federal National Mortgage Association, to ask him to consider Walter Hubbell for a full-time position at Fannie Mae.

Question. Did you ever talk to Webster Hubbell about his son and jobs, assisting his son?

Answer. I talked to Mr. Hubbell about his son, because I constantly told him how proud he should be of his son and how well he was doing.

Question. I am showing the witness a WAVES record we received from the White House.

Answer. What is a WAVES record?

Question. It is the access to the White House Secret Service records that they keep regarding visitors summaries, ins and outs of people, who they are visiting with at the White House.

This document is marked EOP 20370. I am sorry for the poor copy here; it is difficult to read. There is an entry on here, and I will translate. The Visitor is on your left. There is a column that indicates Visitor. Here it indicates Mr. Hubbell on a number of occasions, and then Visitee is the person who usually either they are going to see or who waves them in.

For the record, sometimes it is the secretary, sometimes it is the actual person who is there to meet with them; and then the time and date is over to the right. It indicates on this Visitee is Kantor and then Requester, Frankenber, F-r-a-n-k-e-n-b-e-r.

Answer. It is Frankenberg with a G.

Question. Sorry. And that is who? That is someone you know?

Answer. That is referring, I assume, without knowledge, to Debbie Frankenberg, my secretary.

Question. This indicates a date of July 19, 1994. Do you recall if you had a visit with Mr. Hubbell in your office at or around July 1994?

Answer. I do not recall any visit. It appears from what you have given me that it was Debbie Frankenberg who requested——

Question. That is correct.

Answer. So, therefore—I do not have any recollection whatsoever of this. I can't refer to it. All I can look at is the document that shows that Debbie Frankenberg requested something.

Question. We are just showing the witness this. These records are——

Answer. I have no recollection of this whatsoever.

Mr. ROBBINS. Just so the record is clear, what date do you believe this event took place?

EXAMINATION BY MS. COMSTOCK:

Question. This is the date here, 7/19/94.

Answer. Could I ask a question?

I have never seen these records before. Does it indicate whether the visitor—it is just interesting—ever came in or did not come in.

Question. On these sometimes, if they do not have—you don't know, they may make an appointment and then not come.

Answer. Let me answer your question. I have no recollection of this whatsoever.

Question. I believe it is unclear on these sometimes; you don't know if someone has come or gone. That is correct. It just looks like an appointment was made for some reason. It could have been by your secretary or you. Okay.

Ms. COMSTOCK. Let us make that Deposition Exhibit Number 7.

[Kantor Deposition Exhibit No. MK–7 was marked for identification.]

Question. Are you aware of Mr. Hubbell being hired by the L.A. airport?

Answer. Am I aware now, today?

Question. Yes.

Answer. Yes, from newspaper articles.

Question. Did you first learn about it from newspaper articles?

Answer. I am virtually certain that I first learned about that through newspaper articles, although—that is not correct. No.

No, I think that sometime in 1995, Mr. Hubbell told me—early 1995; I can't recall the date—that he had performed work for the L.A. airport.

Question. Do you recall what he told you about that?

Answer. Oh, yes. He was concerned because he had not been paid.

Question. Why did he tell you about that?

Answer. He just was concerned about it. He said that they owed him quite a bit of money.

Question. Did he tell you how much money they owed him?

Answer. I recall he said $50,000.

Question. Did he tell you what he had done for that work?

Answer. No.

Question. What did he say, to the extent that you recall, about them owing him money?

Answer. The only thing I recall is he was concerned and upset about it.

Question. Do you recall talking to him about what he should do about that?

Answer. Not at that time, no.

Question. Did there come a time when you did talk with him about taking any action about that?

Answer. Could you rephrase that? Taking action?

Question. Did you ever talk with him again about——

Answer. The answer is yes, once.

Question. What did he say?

Answer. It had been suggested to me that he needed to document his activities on behalf of whatever those activities were on behalf of the airport commission, and I passed that on to him.

Question. Who suggested that to you?

Answer. Lisa Specht.

Question. How did he come to speak with Lisa Specht about that matter?

Answer. She was my partner for 15 years at Manett, Phelps, Phillips & Kantor, and at some point in 1995—I do not recall the date—my wife and I had a dinner party for Ms. Specht when she was in town. And during a discussion about Mr. Hubbell's plight, she indicated that she might be able to inquire as to why he had not been paid by the L.A. airports or by the City of L.A. I am not sure who. I really don't know. I should not say L.A. airports, because I don't know who owed the money.

She called me sometime subsequent to that—I don't know the timing—and suggested to me that I should tell Mr. Hubbell that he needed to document his work.

Question. Do you recall who else was at this dinner party where this was discussed?

Answer. I do not recall. Folks from Los Angeles.

Question. Were the Hubbells there?

Answer. Oh, I do not think so. I do not think so. But I don't know. I can't specifically recall. This is what, 2 years ago? I don't know.

Question. Well, to put it in context, Mr. Hubbell went to jail on August of 1995. Do you recall if it was in the summer of 1995?

Answer. I think it was sometime in 1995. Obviously, it was—it was not obvious. I think it was before he went to prison. But even that I am not certain of.

Question. I believe he was paid in September of 1995, if that assists you?

Answer. Well, I don't know that.

Question. I am just saying, to assist in the time frame.

Answer. I have no personal recollection or knowledge whether he was ever paid.

Question. Do you recall at this dinner party how the topic of Mr. Hubbell being paid came up?

Answer. No, I do not specifically recall. That is very difficult. I assume it was a discussion about Mr. Hubbell and his family's plight and difficulties, and I assume—I do not assume anything. I don't know. I have no idea.

Question. Do you recall if you raised that topic at the dinner party?

Answer. I have no idea who raised it.

Question. Do you know if Marsha Scott was at the dinner party?

Answer. I have no specific recollection. I think it was people who were here in Washington from Los Angeles. I doubt if Marsha—but I don't know that. I couldn't specifically recall at this point.

Question. Do you know if you ever talked with Marsha Scott about Webb Hubbell's payments from the L.A. airport matter?

Answer. I have never talked to Marsha Scott about that issue.

Question. Do you know if you ever talked with Linda Douglas about that matter, the L.A. airport payments.

Answer. If she was—you know, I don't know. Linda Douglas is John Phillips' wife. I don't know if they were at the dinner party. If they were at the dinner party, then obviously they were part of the conversation.

Question. Do you generally recall Linda Douglas ever raising the issue of Mr. Hubbell's payments, at all, in any context?

Answer. No.

Question. Or John Phillips?

Answer. Payments what?

Question. Payments for the L.A. airport.

Answer. No.

Question. Restricting this to the L.A. airport matters.

Answer. No. I can't recall any time Mr. Phillips or Ms. Douglas ever raised that issue with me.

Question. Do you know if you ever talked with Beryl Anthony about these matters?

Answer. I do not recall ever having a conversation with Beryl Anthony about the L.A. airport and Mr. Hubbell.

Question. Other than Lisa Specht, do you recall anybody else with whom you may have discussed Mr. Hubbell's payments from the L.A. airport?

Answer. No, that is the only conversation I recall.

Question. Do you know if you ever had any conversations with Mrs. Hubbell about those payments?

Answer. I do not recall specific conversations, but it would not have been unusual that I—that Mrs. Hubbell was in the room when I talked to Webb, Mr. Hubbell, if I didn't talk to him on the phone.

I just can't recall when I indicated to him that he needed to document whatever work it was that he did for the City of L.A. or the airport commission. I just can't recall. It was not relevant.

Question. So after this conversation that you had with Mr. Hubbell indicating that he needed to document the work, did you——

Answer. I didn't say—let us make it clear. I was just passing what somebody had told me, that they had made an inquiry; they were told that he needed to document his work, and I just passed that on as a friend. I want to make that clear, because I didn't know what he had done and what he didn't do.

Question. Do you know who Ms. Specht talked to?

Answer. I have no idea.

Question. But Ms. Specht, after initially having this matter arise at your dinner party, spoke to somebody about——

Answer. I assume she did, because she called me.

Question. She called you back?

Answer. Yes.

Question. And when she called you back, she recommended that you tell him——

Answer. She didn't recommend anything. All she did is tell me, he needed to document whatever work he did for the City of L.A. or the airport commission in order to get paid.

Question. And then you, in turn, told that to Mr. Hubbell?

Answer. She didn't recommend anything to me.

I, in turn, which was natural, talked to Mr. Hubbell and said that is what he needed to do.

Question. And then after that, do you know anything that happened after that?

Answer. I have no idea.

Question. Did you have any conversations after that with Mr. Hubbell?

Answer. I have no recollection of any discussion with Mr. Hubbell subsequent to that matter.

Mr. ROBBINS. Concerning that matter?

The WITNESS. Concerning the L.A. airports or the City of L.A.

EXAMINATION BY MS. COMSTOCK:

Question. To this date, have you had any conversations with Mr. Hubbell, any other conversations about the L.A. airport other than the ones we have discussed?

Answer. I have no recollection of any conversation with Mr. Hubbell about the L.A. airports from the date in question to this date.

Question. Do you know an Allen Arkatov?

Answer. Yes.

Question. Do you know if you ever spoke with him about Mr. Hubbell working on the L.A. airport matter?

Answer. I have no recollection of any conversation with Mr. Arkatov about Mr. Hubbell working for—did you say for L.A. City or L.A.——

Question. On the L.A. airport, Mr. Hubbell working on the L.A. airport.

Answer. I just wanted to make sure.

Question. I believe it may be the City of Los Angeles.

Answer. I don't know to this day who it was that he was supposedly working for.

Question. Do you know a Kim Wardlaw?

Answer. Yes, I know Kim Wardlaw.

Question. Who is she?

Answer. She is now a Federal judge, I believe——

Question. How long have you known her?

Answer. And the wife of Bill Wardlaw and also a mother.

Question. Did you ever suggest to her for a job with Mr. Hubbell?

Answer. Did I ever—say that again.

Question. Did you ever suggest to Mr. Hubbell that Ms. Wardlaw be recommended for any type of job?

Answer. No.

Question. Did you ever speak with Mr. or Mrs. Wardlaw about any matters related to Webster Hubbell's work for the L.A. airport?

Answer. That is another compound question.

I will take—I never spoke to Mr. Wardlaw about anything to do with Mr. Hubbell working for the City of L.A. or any entity of the City of L.A.. I never talked to Mrs. Wardlaw about Mr. Hubbell working for the City of L.A. or any entity connected with the City of L.A..

Question. Do you know a Jerry Stern?

Answer. I have known Jerry Stern for 46 years.

Question. And were you aware of Mr. Stern ever talking to anyone about assisting Mr. Hubbell with work or consulting arrangements?

Answer. I have no recollection of that at all.

Question. Did you ever speak with Mr. Stern about Mr. Hubbell's need for work?

Answer. Mr. Stern and I spoke frequently about Mr. Hubbell's plight and the plight of his family, and especially subsequent to his guilty plea, regarding their economic situation, which we believed to be very difficult at that point. But I do not recall any specific conversations about employment for Mr. Hubbell with Mr. Stern.

Question. Did you have any idea in the 1994-1995 time frame that Mr. Hubbell was receiving payments of upwards of a half million dollars from various consulting arrangements?

Answer. I have read that in the newspaper. No one could be more surprised, if those reports are true, which I don't know if they are or are not, than his friends that he received compensation in that range during that period of time.

Question. Were you surprised to read that he had supposedly received $100,000 from the Lippo Group in June of 1994?

Answer. I think it would be safe to say I was surprised.

Question. Were you surprised to read of other consulting arrangements?

Answer. All I did was read these newspapers. I don't know if they are true or not true. So, therefore, I can't respond except to say, when I read it in the newspaper, it surprised me that he received compensation of this nature.

Question. So if, in fact, the committee has records reflecting upwards of a half million dollars, that would—that is a surprise to you that he was earning that type of money?

Answer. Bordering on shock.

Question. Why do you say that?

Answer. Because during this period of time I would have frequent conversations, as a friend of Mr. Hubbell, concerning the education of his children and how his wife and children were going to maintain themselves when he went to prison. I was deeply concerned about that.

Question. What did—in these discussions, did he relate to you his financial condition?

Answer. Only generally, and he never referred to compensation in the nature you are speaking of or the newspapers wrote about subsequently.

Question. Were you aware in this time frame——

Answer. Could we make it clear, these articles I think did not appear until 1997. These conversations, I was having in 1995, so therefore I had no knowledge whatsoever.

Question. Certainly. I understand that.

Answer. I just want to make that clear because we are talking two different time frames.

Question. I am asking, in light of the articles that have appeared, beginning late last year in 1996 and throughout this year in 1997, which have reflected upwards of a half million dollars in payments——

Answer. I said I was surprised. I had no knowledge of that.

Question. I am showing the witness a July 28, 1994 dinner invite list. It is not clear what it is. I just says Hubbell dinner July 28, 1994, confirms. And there are several marks on the paper, document number 3405, that the committee has received from the American Income Life Insurance Company.

Answer. Go ahead. I am sorry.

Question. And I am—have you seen this document before?

Answer. No.

Question. Understanding that the witness is not familiar with this document, I am just showing it to you as a reference to ask you about a dinner at or around July of 1994 that may have included some of the people on this list, to see if the witness recalls such a dinner.

Answer. Is there a way that counsel can clarify for me where was—it might help, where was the dinner held and who hosted it?

Question. I believe it is a——

Answer. I am confused by the piece of paper.

Question. I think we may have some other—I believe it is a dinner that Mr. Truman Arnold had at their home on July 28, 1994.

Answer. Okay. Well, if that is what that is, then I can answer your questions.

Question. Okay. Let me show you another document just to assist you. This is a document similar to the document I have already shown the witness, but on the front of it, it has an invite from Mr. and Mrs. Arnold. That is marked TAH 24 through 25. I believe the initial document is a document from Mr. Rapoport, and then the second document is the document received from Truman Arnold, which—they are similar.

Answer. This helps. Thank you very much. That helps.

Ms. COMSTOCK. I will make the initial document Deposition Exhibit Number 8 and the second one Deposition Exhibit Number 9.

[Kantor Deposition Exhibit No. MK–8 was marked for identification.]

[Kantor Deposition Exhibit No. MK–9 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall if you attended such an event at Truman Arnold's home at or around this date in July of 1994?

Answer. I only recall that I attended only one function at Mr. Arnold's house ever, and this may well be the function. I just can't specifically recall. But I have never seen either of these pieces of paper before.

Question. Do you recall if this event at Mr. Arnold's home included Mr. Hubbell?

Answer. I have no recollection of that.

Question. In reviewing the invite list, which includes the Arnolds, of course, who are hosting it; Mr. Hubbell; you and your wife, I believe; and then Mr. Rapoport, Marsha Scott, Mark Middleton, Beryl and Shelia Anthony, Senator Pryor, Nancy Hernreich—I am not including everybody here. It says Vernon and Ann Jordan. These are confirms on perhaps a particular date; I have no idea, I don't know if these people all attended. I am wondering if you have any recollection of any of these other people at the dinner that you attended at the Arnolds?

Answer. I have no recollection of who was there. I went to the Arnolds home once for dinner. This well could be it; I don't know that though, and I do not remember specifically who was there other than Mr. and Mrs. Arnold.

I can't confirm that this was the dinner or not. I did go to one dinner at Mr. Arnold's home. In fact it is the only time I have ever been at Mr. Arnold's home.

Question. Do you know if this dinner was, do you recall if the dinner that you attended at the Arnold's home was in honor of the Hubbells or for the Hubbells?

Answer. I can't recall.

Question. Would it assist if, I believe the Hubbells' anniversary is somewhere around this date. Do you recall if it was an anniversary or something like that?

Answer. I really don't remember. If I could recall, I would tell you. I really do not remember.

Question. Do you know Mark Middleton?

Answer. Yes, I know Mark Middleton.

Question. How do you know Mr. Middleton?

Answer. He worked in the 1992 campaign in the fund-raising operation and he also worked for Mr. McLarty in the White House, and so I met him in both of those contexts.

Question. Were you aware when he left the White House in 1995 of what his work involved?

Answer. After he left?

Question. Yes.

Answer. No.

Question. Did you ever have any contact with him for any reason after he left the White House in February of 1995?

Answer. Other than to run into him on the street, no.

Question. Were you aware of him ever trying to contact you for any business associates or anything like that?

Answer. I have never spoken with Mark Middleton about any business whatsoever.

Question. Were you aware that he was involved in businesses that included Asian business ties?

Answer. No.

EXAMINATION BY MS. COMSTOCK:

Question. I just wanted to go through a list of individuals who the committee has received documentation from that Mr. Hubbell did work for them, just to see if you know these individuals or any work related to them.

Do you know——

Answer. Wait. Excuse me. Do you want to know if I know them or do I know about the work related to them?

Question. I will ask you first if you know them.

Answer. Okay.

Question. But I believe your testimony to date is that you didn't know a lot about the work that Mr. Hubbell was doing. But I just wanted to go through this list, and I think it will be fairly brief.

Mr. ROBBINS. What was the characterization of his testimony that you just gave?

Ms. COMSTOCK. I said I believe that—I am not—in going through this list, I am not assuming that you have any knowledge about these. I just wanted to make that clear.

The WITNESS. Thank you.

Ms. COMSTOCK. But I just wanted to go through the list and confirm with you that you do or do not have any particular knowledge about particular individuals.

The WITNESS. During which time period? Because I could have read a newspaper article in the last few months that might refer to some of these.

Ms. COMSTOCK. I understand. If you could indicate that your knowledge is from the newspaper that would assist us in knowing what your knowledge is about each.

The WITNESS. Thank you.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know Jack Williams, who is a lobbyist in town?

Answer. I don't believe so.

Question. Okay. Were you aware of any work that Mr. Hubbell got regarding the Pacific Telesis Company?

Answer. I may have read something in the newspaper in the last few months; but, no, other than that, I would be completely unaware.

Question. Okay. Do you know Phil Verveer?

Answer. Yes, I know Phil Verveer.

Question. Do you have any knowledge of Mr. Verveer assisting Mr. Hubbell with getting any work or consulting arrangements?

Answer. I have no recollection of any knowledge of Mr. Verveer assisting Mr. Hubbell.

Question. Okay. Do you know anything about any work that Mr. Hubbell got from the Sprint Company?

Answer. No.

Question. Do you have any knowledge about any work that Mr. Hubbell did for McAndrews and Forbes?

Answer. No.

Question. Or any—and actually when I am asking these, it is any knowledge of how he got that work also.

Answer. No.

Question. I just wanted to make that clear, because I think that is——

Answer. I understood the implication, Counsel.

Question. Okay. And do you have any knowledge of Mr. Hubbell getting any work relating to the Mid-America Dairymen Foundation or whatever group it is?

Answer. Something—I read that, I think, in the newspaper, some newspaper, but I don't—that's the only knowledge I would have.

Question. Okay. And you do know Eli Broad?

Answer. Broad.

Question. Broad?

Answer. Yes, I know him very well.

Question. Did you have any knowledge of Mr. Broad providing any work to Mr. Hubbell?

Answer. No, except what I have read in the newspaper subsequently.

Question. Do you have any knowledge of Mr. Hubbell doing any work related to the Time Warner Company?

Answer. No.

Question. Were you aware of Mr. Hubbell writing a book for HarperCollins?

Answer. At some point in 1995 or 1996, I had a conversation with Mrs. Hubbell regarding his contract or arrangement with HarperCollins. I didn't even know with HarperCollins. Let me just say with a publisher. That's the first time I have heard that name—with a publisher.

Question. Okay. What was your understanding—what was that conversation?

Answer. The conversation was that Webb had signed a contract to write a book, and he was working on it while he was in prison. That's all I know.

Question. Okay. What was your understanding about what that book was going to be about?

Answer. I didn't have any specific understanding.

Question. Did you know if it was a novel or something that was personal to him?

Answer. I thought it was personal reflection, but that's only—that's more of a guess on my part than it is substantive knowledge.

Question. Okay. Did you ever discuss Mr. Hubbell's writing of a book with anyone other than Mrs. Hubbell?

Answer. My wife.

Question. All right. And other than your wife?

Answer. I can't recall at this point. I can't specifically recall any conversation with regard to this with anyone else.

Question. Okay. Do you recall if anyone from the White House ever mentioned to you anything about Mr. Hubbell writing a book?

Answer. I have no recollection of anyone at the White House mentioning it to me.

Question. Did you ever—that would include the President?

The WITNESS. Wait a minute.

Mr. ROBBINS. The——

EXAMINATION BY MS. COMSTOCK:

Question. Whether or not you had any conversation with the President about Mr. Hubbell writing a book?

Answer. No.

Question. Do you recall if Mrs. Hubbell ever told you anything about him not being able to finish the book on time?

Answer. I can't recall specifically, although the implication in our conversation was she was concerned whether or not he could fulfill his obligation, whoever the publisher was. You mentioned the name, but I didn't know at that point who the publisher was.

Question. All right. Do you recall what she said about whether or not he was going to complete the book?

Answer. No. I don't recall. I don't know to this date what actually happened.

Question. Did Mrs. Hubbell ever tell you anything about particular topics that he couldn't write about or wouldn't write about in his book?

Answer. I can't specifically recall a conversation with regard to the substance of the book.

Question. Okay. Did you ever have any conversations with Mr. Hubbell about the book?

Answer. I don't specifically recall any conversation. However, it is quite possible that in the few times he called me from Cumberland, Maryland, where he was incarcerated, he may have mentioned it to me. But I don't specifically recall at this point.

Question. Okay. You indicated you had conversations with Mr. Hubbell while he was in jail, is that correct?

Answer. Yes, a few, yes.

Question. Okay. Do you recall how often you spoke with Mr. Hubbell when he was in jail?

Answer. I can only guess. Probably 10 times.

As you know, he would have to call me. You can't call anyone who is incarcerated in a Federal prison; and so, therefore, it would be at his initiation. But 10 is probably a fair guess.

Question. Okay. Would he call you collect? Is that how it works?

Answer. Yes.

Question. Would he call you at your home or at the office?

Answer. I think every call was at my home. I don't remember any call at my office.

Question. All right. Are you familiar with a trust fund set up for Mr. Hubbell's family to provide money for his family's education and well-being?

Answer. I am familiar with the—with the desire to set up an educational trust fund for his children.

Question. Did you ever have any discussions with anyone about those trusts?

Answer. Yes.

Question. Who did you discuss that with?

Answer. Three people: Mr. Hubbell; Mike Schaufele, who is from Little Rock, Arkansas; and Mr. Rapoport.

Question. Could you describe your discussions with Mr. Schaufele, S-C-H-A-U-F-E-L-E, who is the trustee of the trust?

Answer. We had one or two conversations about it. We discussed the need to set one up in order to ensure that Mr. Hubbell's children could continue their education.

Rebecca was at the University of Arkansas. Caroline was going to Davidson College; and Kelly was at Maret school, a private school here in the District of Columbia. He generally described to me what he was setting up.

Question. Okay. And what was the purpose of your discussions with him?

Answer. To—frankly, to encourage him to do so.

Question. And did you call him to do that or had he called you?

Answer. I don't remember who called who, but we both were in favor of such a trust fund being set up.

Question. Okay. Was it your understanding that that effort was already under way when you talked to Mr. Schaufele?

Answer. It was my understanding that he was in the process of setting it up, or considering setting it up, and I talked to him to encourage him to continue doing so.

Question. You said you also had discussions with Mr. Rapoport?

Answer. Yes. I—at some point—and I can't remember—I called Mr. Rapoport and asked him if he might consider contributing to that educational trust.

Question. Okay. And what did you—can you just describe this discussion with Mr. Rapoport?

Answer. I think I just did.

Question. That was the extent of the conversation?

Answer. Yes, and Mr. Rapoport's response was that he would try to do so.

Question. And did you discuss contributions to the trust funds with anybody else?

Answer. Not—not that I recall. That's the only conversation with Mr. Hubbell, Mr. Schaufele and Mr. Rapoport.

Now I may have mentioned the fact that there was a trust fund to other friends, but it would only be in the course of just general conversation. It wouldn't have been specific.

Question. Okay. And why did you call Mr. Rapoport?

Answer. Because I was concerned about the children and their education; and Mr. Rapoport has been so helpful to so many people over so many years that I thought he might be helpful to Webb—Mr. Hubbell, who he knew very well.

Question. All right. And did you learn that Mr. Rapoport did indeed contribute to the trust?

Answer. I can't recall whether I learned it subsequently or I knew it during that period of time. I just don't know. But at some point subsequently, I—someone told me that he did contribute. It could have been Mr. Rapoport. It could have been someone else. I just don't know.

Question. Showing the witness an August 21st, 1995, letter to Mr. Rapoport from Michael Schaufele, I believe we received this document from—I believe from Mr. Rapoport. I can correct that for the record if that's not the case, but I believe these are documents—they are from American Life or from Mr. Rapoport.

Do you recall—there is handwriting in this document which says cc to Mickey Kantor, and then sent 8-24-95.

Answer. Uh-huh.

Question. Do you know if you ever received such a letter?

Answer. I can't recall this specific document, but I—I'm interested now in reading it, because it is entirely consistent with what I have told you.

Question. Uh-huh.

Answer. But I don't remember the specific document.

Ms. COMSTOCK. Okay. I will make that Deposition Exhibit No. 10.

[Kantor Deposition Exhibit No. MK–10 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Did Mr. Rapoport ever tell you if he had discussed any assistance he was providing—any assistance he provided to Mr. Hubbell with the President?

Answer. No.

Question. How long have you known Mr. Rapoport?

Answer. Twenty-four years.

Question. And do you socialize with Mr. Rapoport and his wife also?

Answer. I have for 24 years with Audre and B.

Question. And on occasions have you—did you have social occasions where you also got together with Mr. Hubbell and Mr. Rapoport?

Answer. At some point in 1994—it could have been in 1995, I don't recall—there were at least a couple of occasions where I think we got together. In other words, Mr. and Mrs. Hubbell, Mr. and Mrs. Rapoport and my wife and I.

Question. Do you recall if you had any discussions on those occasions about how Mr. Hubbell was going to support himself?

Answer. These were social occasions.

Question. Okay. When did you first learn that Mr. Hubbell was going to plead guilty to mail fraud and tax evasion?

Answer. I don't have a specific recollection. Sometime late in the fall, very late in the fall of 1994, very close to the event that you have cited.

Question. Okay. It was prior to, though, his publicly doing so?

Answer. I think it was prior to. You know, I don't have a specific recollection.

Question. I mean, do you recall if you woke up and read it in the paper or if you knew about it before?

Answer. I believe just prior to it. I probably knew about it, but I don't know specifically how, and I don't want to guess as to how I might have known it.

Question. Do you know if you talked to Mr. Hubbell about his plea before that?

Answer. I don't want to guess. You know, we were close friends. I remember learning about it either right before or at the moment of, and I just don't know. I couldn't answer that question specifically.

Question. Okay. Generally, do you know if there was a group of people who would have been among those who would have told you about a guilty plea, a large universe of people or a small?

Answer. It is not a large universe, so I really can't. I don't know who it would have been, you know, whether Mrs. Hubbell could have called me or Mr. Hubbell could have called me. I just don't know.

Question. Following his guilty plea, did you have any discussions with him about his guilty plea?

Answer. Well, I don't—what do you mean about—I am sorry. I don't understand the question.

Question. At or around the time about his guilty plea?

Answer. What do you mean about his guilty plea?

Question. Did you have discussions with him about anything—in that December, 1994, time frame when he did plead guilty, did you have discussions with him about his situation at that time?

Answer. Well, the only thing I can recall subsequent to that is his—this is difficult because we were such close friends. Subsequent, Webb has said publicly—Mr. Hubbell has said publicly, both on television and in newspapers, that, of course, he didn't tell the truth to his friends or publicly about his activities.

Our—the reason I say that is our conversation even subsequent to that was his explanation was that he didn't want to put his family through a lengthy and expensive trial. In other words, it was—he tried—it was exculpatory in nature regarding any activities he might have been engaged in. But it wasn't specific in terms of what he had done or not done, if that's what you are driving at. I am just trying to be responsive.

I was much more concerned about Mr. Hubbell's family and what was going to happen with them while he was in prison.

Question. Were you surprised by his plea in December of 1994?

Answer. Yes.

Question. And did you speak with anybody at the White House about his plea at or around the time of the plea?

Answer. I don't recall any specific conversation about it.

Question. Do you recall if people generally were surprised by the plea?

Answer. I think that's a fair assessment.

Question. Okay. At that time, had you learned anything about the law firm—that all of the partners of the law firm had filed this complaint against Mr. Hubbell?

Answer. I didn't know that, no.

Question. Prior to Mr. Hubbell going to jail, do you recall a party that Mr. Stern had for him or an event Mr. Stern had for him?

Answer. Prior to his going to jail?

Question. In the weeks leading up to when he went to jail.

Answer. No—the—no, go ahead.

Question. Do you recall attending a party at Mr. Stern's home that was in honor of the Hubbells or an anniversary or for any event?

Answer. Right after Mr. Hubbell resigned, either that night or the next day, I recall a function at Mr. Stern's home.

Question. Okay. That would be in April of 1994 when he resigned, is that it?

Answer. March. Wasn't it March?

Mr. BALLEN. Just for the record——

The WITNESS. I don't know.

Mr. BALLEN.—there has been some confusion on this. He announced his resignation in March, but he didn't resign officially until April 8th.

The WITNESS. Right. Whatever it was, right after he resigned, there was a tremendous outpouring of emotion at the Justice Department favorable to Mr. Hubbell. He was a much-admired figure there.

Mr. Stern worked at the Justice Department at that point. He and his wife had a function at their home where a number of people who worked at the Justice Department came, and they performed skits, and they sang songs and generally were very supportive of him.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. Do you recall if Janet Reno was at that event?

Answer. I don't recall. I really don't recall.

Question. Generally, Justice Department people were at the event?

Answer. Yes, and friends and so on, yes, yes. It was a fairly large crowd.

Question. You testified you had kept in touch with—or that Mr. Hubbell would call you from jail on a number of occasions. Is that correct?

Answer. I think I said I estimated it over the number of months he was in jail about 10 times.

Question. Okay. Did you ever have any occasion to visit him while he was in jail?

Answer. Once.

Question. And was this just a social visit?

Answer. Yes.

Question. Did you have any discussions with him about—strike that.

You had indicated previously that since you have seen interviews that Mr. Hubbell has done saying that he hadn't been truthful with his friends and all, at any time while he was in jail did he change his story from that—you were saying in December of 1994 that he indicated that he was doing this for his family and giving you an impression that there still wasn't anything wrong there. At any time while he was in jail when you had discussions with him did he change that story?

Answer. He didn't alter his basic story. He was obviously contrite about putting his family in this situation, but the—there were no specifics, and I didn't know anything that was different than I had known or thought I knew—thought I knew in 1994—in March and April, 1994.

Question. All right. And, to this date, have you had any discussions with Mr. Hubbell where he has changed his story?

Answer. No.

Question. And——

Answer. Now, I have seen the—Mr. Hubbell's appearance on television and read his statements in newspapers, but I have not had any personal discussion with him.

Question. Okay. So you have not had any discussions with Mr. Hubbell about those types of statements——

Answer. No.

Question. That he has made in the newspapers?

Answer. No, no.

Question. Or on TV about having conned his friends or things to that effect?

Answer. The answer is no.

Question. When is the last time you had any discussion with Mr. Hubbell or met him?

Answer. December, 1996.

Question. What was that occasion?

Answer. I don't remember. I don't know if it was a phone call or I saw him for lunch. It could have been either, but I have not seen him since or talked to him.

Question. Was he on his work release program at that time when you saw him?

Answer. I don't remember whether that was over at that point or not. I just don't know. I don't recall.

Question. And you haven't seen him since December of 1996?

Answer. I believe that's the last time. It could be January. It could be—but, you know, it has been quite awhile.

Question. Why is that?

Answer. It is—this is very painful because this is a close friend and someone I care a lot about. It is clear that guilt by association is alive and well in Washington and that it became clear to me that any contact between me and Webb would be—could be misconstrued, given the nature of the inquiries that were—had been initiated; and so I thought it was better for me and my family that I not have any contact with Mr. Hubbell.

Question. Is that the only reason you haven't had any contact with Mr. Hubbell?

Answer. Well, I would only add, there is some anger on my part. I think he put me, my family and his friends in a very difficult position by not being as forthright as he might have been. However, the main reason is the overall atmosphere here in Washington and the fact that you put yourself and your family and others in jeopardy if you are seen with Mr. Hubbell. It is our modern day answer to shunning.

Question. Did the stories that have come out about the money that you have indicated previously you did not know he was making have any impact as to how you viewed Mr. Hubbell's truthfulness?

Mr. ROBBINS. Can I just ask—I mean, you are inquiring as to why old friends don't see each other after one of them has been some through some difficult times. How in the world does that advance the appropriate mission of this committee? Could you explain that to me? Tell me how that advances the appropriate mission of this committee, and then maybe the witness will answer the question.

Ms. COMSTOCK. Well, the witness has testified as to perhaps changing stories that—or changing impressions that he has had of Mr. Hubbell's truthfulness.

EXAMINATION BY MS. COMSTOCK:

Question. Is that correct?

Mr. ROBBINS. I have put a question to you, as counsel for this committee. I would like to know why it is that Mr. Kantor's reasons for maintaining a relationship with Mr. Hubbell can possibly advance the appropriate mission of this committee? I would like you to answer my question before I—before I give the witness instructions as to whether he should answer yours.

Ms. COMSTOCK. This committee is looking at a number of activities involving Mr. Hubbell, including a lot of payments that Mr. Hubbell got from people that apparently this witness and others were not aware of and what those were about; and we are talking with the witness about those activities. I am just asking his understanding over time.

Mr. ROBBINS. He has answered that question fairly well. He has answered now for two and a half hours on this same line of questions.

Now you are inquiring why two old friends don't see each other as often as they used to. He has given you an answer, which I have to tell you, the work of the Congress has something to do with, which is that the atmosphere that has poisoned the well of ordinary politics in this city for some time now.

Ms. COMSTOCK. I think what I am trying to determine is if that's all it is, that if all of these stories had come out about Mr. Hubbell and the half million dollars which the committee has received a number—documentation of a number of these, if that had come out but there was no investigation, would you have no problem then with Mr. Hubbell's truthfulness to you?

Mr. BALLEN. But what——

Mr. ROBBINS. Goodness sakes.

The WITNESS. I am sorry. Let me just say, I have really tried to be responsive; and I appreciate your trying to do your job. Let me just end this line of questioning, I hope, by saying that in Washington no good deed goes unpunished.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know a woman name Pauline Kanchanalak?

Answer. Do I know her?

Question. Yes.

Answer. I have met her on one occasion. I don't know her.

Question. When did you meet her?

Answer. At some point when I was United States Trade Representative, I made a speech to the United States Thailand Business Council at a hotel here in Washington. I was greeted at the door by Ms. Kanchanalak——

Question. Were you aware of——

Answer. And escorted to the podium, and I made my speech and left.

Question. Okay. Were you aware of Ms. Kanchanalak being a DNC donor?

Answer. No.

Question. Did anyone from the DNC ever contact you about making that speech, to your knowledge?

Answer. No. That speech was put on my schedule by my staff, and I don't—I don't know how the request came in and never asked. I just made the speech. These business councils were important in trying to open markets and expand the sale of U.S. goods abroad.

Question. All right. Do you have any knowledge of whether DNC officials ever contacted anyone on your staff about speaking at particular events?

Answer. About speaking at—yes, they contacted my staff about that, yes, about my speaking at particular events.

Question. How was that handled, the process?

Answer. It was handled by professional staff and, on a very few occasions, I spoke at DNC-sponsored events, maybe—I don't know how many but very few over the course of 4 years.

Question. Okay. In your——

Mr. BALLEN. Is this—I don't think it is clear whether this was during your time as the United States Trade Representative or at the Commerce Department.

The WITNESS. Well, I——

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall which it was?

Answer. I think—well, I have no specific recollection. I believe I probably spoke at a few DNC events as USTR and when I was Secretary of Commerce, but it would be very few.

Question. Okay. Maybe this would assist. This is a September 15th, 1994, message, which I believe we received from the White House.

Answer. Would you explain where this document came from?

Question. This came from the White House. I don't know. I am not representing this as your document. We just got this document from the White House.

Again, I will apologize. The White House documents have come in with virtually little or no explanation as to what they are, so it does make it difficult. So I am not representing it as anything to you, nor am I asking—you know, implying that you have any knowledge about it.

We are trying to figure out, from the little that we get from the White House, if witnesses can make any sense of these for us since the White House has not been able to.

Mr. BALLEN. For the record, I am going to object to your characterization, "the documents we get from the White House." I am also going to object to continually showing the witness documents that he has no knowledge of, that are not designed to assist his recollection, and that there is no foundation laid in the record that he could possibly respond to.

I mean, we have had a whole series of documents from the Justice Department, from the White House or from wherever you say they come from, without a lot of explanation as to what they are. I don't think it is proper to show them to the witness without laying a proper foundation.

Ms. COMSTOCK. Mr. Ballen, I hope you will join the committee in requesting once again that the White House provide additional explanations and production logs for the documents, something they have refused to do for the past 8 months. But we are left to, unfortunately, ask the witnesses since the White House can't explain their documents.

EXAMINATION BY MS. COMSTOCK:

Question. You aren't familiar with this document, is that correct?

Answer. No, I am not. I have never seen this document.

Question. Okay. Thank you.

Other than this——

The WITNESS. May I ask counsel a question?

Ms. COMSTOCK. Sure.

[Discussion held off the record.]

Mr. ROBBINS. Can I just see the document?

The WITNESS. Ma'am, may I see the document again, please?

Mr. ROBBINS. Have you marked this as an exhibit?

Ms. COMSTOCK. No, I have not.

The WITNESS. Okay. Just for the record, I would like—because this is—could be pregnant here with some possibilities. It says, Georgy, from Pauline Kanchanalak's office, called re dinner with MK in California. She received no follow-up and would like to know what is going on. The number is whatever.

I never had dinner with Pauline Kanchanalak, either in California or anyplace else.

EXAMINATION BY MS. COMSTOCK:

Question. The only contact you have had with her was when she greeted you at this event?

Answer. That's all I can recall is that one time. That's all I can remember.

Mr. BALLEN. May I inquire of counsel, we have gone about two hours and 45 minutes. How much longer is anticipated here?

Ms. COMSTOCK. I don't know at this time. I believe you have indicated that you need to be done by 1:00, and I believe we will complete.

Mr. ROBBINS. I can tell you at 12:30 we are walking out of the door pursuant to an agreement we made with this committee.

Ms. COMSTOCK. The time agreement we made was 1:00.

Mr. ROBBINS. Keep rolling along, but that's when we are leaving. Do your business.

Ms. COMSTOCK. You had indicated to us and you said that you had to leave by 1:00. That's why we set the deposition for early this morning.

Mr. BALLEN. Could we at some point take a 5-minute break if we are going to go an extensive length?

Ms. COMSTOCK. Okay. Why don't we continue at this point, and certainly we can take a break before 1:00.

Mr. ROBBINS. We are happy to honor the request of Minority counsel.

Mr. BALLEN. Let's take a break right now.

Ms. COMSTOCK. All right. We will make it for a few minutes.
[Recess.]
Ms. COMSTOCK. We can go back on the record.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know somebody named J. H. Zhou, Z-H-O-U?
Answer. Not to my knowledge.
Question. I will provide the witness with a document we have received from Mark Middleton which is marked CC-H-76 through 79. I will allow the witness to take a look at that.
It is a memo to Doris Matsui from Holli Weymouth. It is on CommerceCorp International letterhead, which is Mark Middleton's company, dated June 18th, 1996.
There is also a second fax, which is page 77, which is to Mr. Jude Kearney from Holli Weymouth; and then the third and fourth pages of this document, which is a June 8th, 1996, letter to Mr. Kantor from a John T. McAllister, the Deputy General Manager of Beijing International Financial Center Company. That document is 78 through 79.
Directing your attention to the June 8th, 1996, letter to you, do you recall ever receiving this letter from Mr. McAllister?
Answer. I don't recall the letter at all.
Question. Do you know Mr. McAllister?
Answer. Yes, I know Mr. McAllister.
Question. Can you tell us anything about him, aside from his work with the Beijing International Financial Center?
Answer. He lived in California, was involved in a number of civic and community projects. He was a businessman in the State.
Question. Okay. Do you have knowledge of his business in China?
Answer. Only to the extent I went to Beijing in—I can't remember—'95, sometime in '95 to sign four agreements, including an intellectual property rights agreement, probably April of '95, and a space launch agreement and two other agreements.
There were a number of receptions. Mr. McAllister, as I recall, attended one reception and introduced me to his partners in Beijing outside the door of the reception. That's all I remember.
Question. Do you have any understanding of what he—his business in Beijing was?
Answer. He generally just said to me that he was involved in developing a piece of property in Beijing.
Question. Okay. Do you know if you ever met with Mr.—is it Zhou?
Answer. I am certain that I didn't.
Question. Do you recall Mr. Middleton or anyone from his office ever contacting you about meeting with Mr. Zhou?
Answer. This is going to be—neither Mr. Middleton nor anyone from his office ever contacted me about meeting with Mr. Zhou or contacted me personally about meeting with anyone else.
Question. Okay. Do you know—this letter was written, I guess, while you were at the Commerce Department. Do you know what the process would have been—how your office handled such requests at that time?
Answer. Only generally. They would have been reviewed by the correspondence unit. If they seemed to be of some importance, they would have been reviewed by my chief of staff, Peter Scher, and then those he thought were important enough for me to see he would have sent in to my office for my review. I don't recall—specifically remember this letter.
Question. Okay. Do you know if you had ever met with anybody else over the past year or so that John—I don't mean anybody else because you said you haven't met with him, but do you recall if you ever met with anybody recommended by John McAllister over the past year or so?
Answer. Recommended by John McAllister?
Question. Yes.
Answer. I have no recollection of meeting with anybody recommended by John McAllister in the last year or so.
Ms. COMSTOCK. I will make this document Deposition Exhibit No. 11.
[Kantor Deposition Exhibit No. MK–11 was marked for identification.]
Ms. COMSTOCK. I am showing the witness—it is an undated document, entitled commission trip contacts. It is EOP 10961 through 62. It has handwriting on it. It is from the White House. I, unfortunately, do not have much more information than that on the document.

EXAMINATION BY MS. COMSTOCK:

Question. But directing your attention to the second page, where James Riady is mentioned under Jakarta?

Answer. Whose document is this?

Go ahead. I am sorry.

Question. Again, I apologize. We do not know whose document this is, except that it is from the White House. Where it says Jakarta, there are two names in parenthesis, Brody and Adams. Do you know a Brody and Adams who worked with you on any matters or worked on trade matters?

Mr. ROBBINS. You say there are the names Brody and Adams next to Jakarta.

Ms. COMSTOCK. Next to Jakarta.

The WITNESS. I see. I am sorry.

Mr. ROBBINS. Up at the top of the page.

The WITNESS. I see. I am sorry.

First of all, could you just—I am sorry. Where does this document come from? What commission? Who generated it?

Ms. COMSTOCK. The White House, in response to our request, with no explanation besides it comes in a box with hundreds of other documents that are unexplained.

The WITNESS. Okay. I don't know who they are referring to. I don't want to guess. I just don't know.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. Just directing your attention to where it says James Riady and it says, paren, good friend of President and Kantor, Adams can call, and then that is crossed out, do you know why anyone at the White House would think that you are a good friend of James Riady?

Answer. I have no idea. I have—as far as I can recollect, I have only—recollect, I only met James Riady twice; once I described to you in Little Rock at a reception with about 150 people in the summer of 1992 and once in Jakarta at a reception and dinner hosted by our ambassador, a guest list put together by our ambassador to Indonesia, in which I was the honored guest, and I was seated at a table during dinner by the ambassador next to James Riady.

Question. Okay. That was—I am sorry, the date of that dinner was?

Answer. That was the APEC conference in November of 1994.

Question. During that November, 1994, trip, were you aware of the President meeting with Mr. Riady on any occasion?

Answer. No.

Ms. COMSTOCK. Okay. I am not making that an exhibit. The witness has indicated he is not familiar with it or why——

The WITNESS. It appears none of us are familiar with it.

EXAMINATION BY MS. COMSTOCK:

Question. On the November, 1994, trip to Jakarta that you have indicated, did you ever have any knowledge that there was at one point an interest in having an Arkansas delegation go to Jakarta on that summit trip?

Answer. No.

Question. Did you ever talk with Bruce Lindsey about any people who were going to go on that trip to Jakarta?

Answer. No, not that I can recollect.

Question. Do you know John Huang?

Answer. I don't know him. It is quite possible, although I can't recollect specifically, that I may have met him in the 20 years I was in Los Angeles at some civic or political event, but I don't know him.

Question. Okay. And in the past 4 or 5 years, do you recall having met him on any occasions?

Answer. I don't recollect any event in the last 4 or 5 years that I met John Huang, although it is not impossible that at some large event I might have shaken his hand. I just don't recall.

Question. Would you have had any personal meetings with him or small groups at any time?

Answer. I don't remember any personal meetings with John Huang or any small group that he was in.

Question. In the fall of 1996, when issues related to Mr. Huang's fund-raising arose, did you have any conversations with anyone at the White House about Mr. Huang?

Answer. About Mr. Huang?

Question. Yes.

Answer. No.

Question. Or about any fund-raising issues in connection with Mr. Huang?

Answer. No.

Question. I wanted to ask some questions about the Bingaman Commission and Mr. Trie. When you first started the appointment process for the Bingaman Commission, can you describe how you went about selecting who would be on that commission?

Answer. We had a meeting at USTR, and I directed my—what we call public liaison—or public and private sector liaison to choose people who had knowledge of Asia, our trade relations, and generally took a position in favor of fair trade and open markets.

Question. Would that be a pro-MFN position, for example, in relation to China?

Answer. It would be a pro-U.S. worker position.

Question. And what would that be?

Answer. Open markets, expand exports, make the rules fair and level the playing field.

Question. All right. Again, would that include being for an MFN extension?

Answer. It depends—we could get into a long and very interesting political discussion of whether it means MFN or not, depending on the situation; and I would recommend that if we want to get out of here by 6:00 tonight you don't get me started on that, with all due respect.

Question. Okay. This is an April 7th, 1995, memo of the office of the United States Trade Representative, a memo for Peter Scher, Ira Shapiro, Nancy Leamond and Ann Lazado from Jennifer Hillman regarding the Bingaman Commission. And directing your attention to the second paragraph on the page, it says, there will be—the appointment of the commissioners would take some time, given that they will need IRS/FBI clearance and White House clearance. Can you describe your knowledge of that clearance process?

Answer. I don't have specific knowledge of it because I didn't work in that area. But, obviously, every—I assumed every White House appointee received the same kinds of clearances, and they were vetted by the agencies indicated.

Question. To your knowledge, were all the appointees to the commission? Did they get an FBI clearance?

Answer. I can only make an assumption that they did. I don't know that for a fact.

Question. But it was your understanding that part of the process is they should be getting an FBI clearance to be on this commission?

Answer. Well, let me just say I have no specific knowledge of the process. I can only—I only made assumptions that that was the case. However, I have no personal knowledge of that.

Question. Okay. Given the information that the commissioners would have access to, was it your understanding that some of this would be sensitive information or information that wasn't generally disseminated—you know, made public?

Answer. Almost all of it would have been public information. Very little of it would have been not generally available to the public.

Question. Okay. I am just trying to get a sense, because I know a lot of the documents that Mr. Trie, you know, and the commissioners reviewed, you know, we were asked initially to review at the White House because of their sensitivity. I am just trying to get a sense of maybe what your understanding of the kind of documents that he was reviewing were.

Answer. It is not a question that I was personally involved in.

Question. Can you describe your knowledge of how Charlie Trie came to be a member of this Bingaman Commission?

Answer. I don't have any specific personal knowledge and very little recollection. After I gave the criteria that I did, the process took place between USTR and the White House. The commission was put together, and I signed off on the recommendations as the staff gave them to me.

Question. Did you suggest the name of Charlie Trie for the commission?

Answer. No.

Question. Do you know who did?

Answer. I have no idea.

Question. Have you since, in the past year or so, talked with anyone about who may have suggested his name——

Answer. No.

Question. For the commission?

Ms. COMSTOCK. I am showing the witness an e-mail from Jennifer Hillman to Demetri Boutris—two e-mails, one on the top and one on the bottom. The one on

the bottom is from Phyllis Jones to Jennifer Hillman and Peter Scher. It is dated—both of them are dated September 21st, 1995. This is an unmarked document which we received from the USTR. I will allow the witness to review the document.

The WITNESS. Yes, I have looked at it, yes.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. Directing your attention to the bottom half of the page, the second e-mail on the page, in the first paragraph, it says, "I spoke with Charles Duncan about Bingaman late Wednesday."

Do you know who Charles Duncan is?

Answer. I—did he—you know, I am having a hard time. Did he work at the White House? I very vaguely recollect the name.

Question. He is the one who works in White House personnel. If you don't know, I am not asking you to speculate.

Answer. I have probably met him. I don't know him.

Question. Do you recall if you had any discussions with him about nominees to the Bingaman Commission?

Answer. Not that I can recall.

Question. Okay. Continuing in that paragraph, it says, "Here is the update," quote, "they have not bumped anyone off of our list. However, they want to add three people—a Senator Sarbanes person," and then, paren, "Charles will let me know the name," closed paren, comma, "a DNC nominee, Yah Lin Trie," Y-A-H L-I-N Trie, T-R-I-E, President of Daihatsu International, an international trading company, and an Asian American executive from Toys-R-Us." Those are the three individuals apparently. It is closed paren. I am sorry, "and the Asian American executive from Toys-R-Us," not "as."

Do you recall if there was, I guess—prior to this September 21st or at or around September 21st, when it says they have not bumped anyone off of our list, was there a list that USTR had come up with before?

Answer. As I said to you before, the staff was working with the White House and was trying to put a list together or put people together under my general criteria for the commission. I was not involved in that process in the back and forth between the White House and USTR, nor am I involved in any of these two e-mails that you have just shown me. Therefore, it would have been—I was not aware of any of this back-and-forth conversation.

Question. I think the record will reflect prior that there was no list that USTR produced that had Yah Lin Trie or Charlie Trie, as he is known, being generated from your office. I think the record is fairly clear on that.

Mr. BALLEN. I am going to object to that. I don't know—if you are asking the witness a question, you are asking the witness a question. Otherwise, you are talking about USTR produced and put it on the record as if—the committee will be entitled to hold hearings on the initial report based on the document.

EXAMINATION BY MS. COMSTOCK:

Question. Your testimony is you don't know if Charlie Trie's name was being proposed by anyone in your office?

Answer. I have no recollection of that.

Question. When it says here a DNC nominee Yah Lin Trie, do you know generally whether there were DNC nominees that were referred to this or other commissions?

Answer. I have no idea. I have no personal knowledge of that.

Question. Do you know what is meant by a DNC nominee?

Answer. No, I do not.

Question. Do you have any knowledge of people from the White House proposing DNC nominees on any occasion?

Answer. I have no personal knowledge of that whatsoever.

Question. Continuing on, the second paragraph of this second E mail, it says, "Charles thinks the best thing to do is get the Executive order amended so it can be increased." Apparently meaning the commission's numbers can be increased. Do you have any knowledge about the Executive order increasing the size of the commission?

Answer. I have no specific recollection of that. I am sure at some point someone told me they had increased the numbers of persons on the commission.

Question. Do you recall if there was ever any discussion about putting Charlie Trie on this commission?

Answer. I can't recall any discussion about that whatsoever.

Ms. COMSTOCK. I would like to make this E mail Deposition Exhibit Number 12.

[Kantor Deposition Exhibit No. MK–12 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall your staff submitting names of nominees to you before that list would be submitted to the White House?

Mr. ROBBINS. You mean in general?

EXAMINATION BY MS. COMSTOCK:

Question. In general.

Answer. At some point there was a formal submission. That would have gone through me. It is quite possible there were informal exchanges of information between USTR and the White House with regard to members of this or any other commission, but I would not have been involved in that day-to-day discussion, conversation or exchange of documents.

Question. Do you have any—I am showing you another document that has been marked EOP 81127, 25 through 27. It is a decision memorandum for Ambassador Kantor through Ambassador Hillman from Demetri Boutris. The subject is the Bingaman Commission, Executive order amendment. The date says October 7 at the top. It is cut off, the end of the page on the document received, but I believe it is October 6, 1995.

Answer. I have looked at it.

Question. Attached to this decision memorandum, is that your signature on the bottom where it says approved?

Answer. Yes, it looks like my initials.

Question. Attached to this is a memo for Alice Rivlin from Ambassador Kantor. The subject is a draft Executive order. Then attached to that, page 81127 is the amendment to the Executive order which expanded the size of this commission up to 20 people in place of 15. Do you recall anything about this Executive order?

Answer. Not specifically, but clearly it would have been a routine matter to increase the size of an advisory commission or a commission that you were working where you wanted diversity, both of opinion, background, geography and experience. This was not unusual.

Question. Did you ever have any discussion with anybody in your office about the commission being expanded to accommodate Mr. Trie?

Answer. To accommodate Mr. Trie? I can't ever recall a conversation specifically involving expanding the commission to accommodate Mr. Trie.

Question. Do you know a Mr. Ernie Green?

Answer. Yes, I know Ernie Green.

Question. How long have you known Mr. Green?

Answer. About 6 years.

Question. Did Mr. Green ever call you about Mr. Trie at any time?

Answer. I can't recall any conversation with Ernie Green about Mr. Trie.

Question. Do you have any knowledge about Mr. Green's sponsoring Mr. Trie for this commission?

Answer. I have no knowledge of that whatsoever.

Question. Did you ever have any discussion with anybody at the White House about Mr. Trie being on this commission?

Answer. I have no recollection of a discussion with anyone at the White House about Mr. Trie with regard to this commission.

Ms. COMSTOCK. I would like this marked Deposition Exhibit No. 13.

[Kantor Deposition Exhibit No. MK–13 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Knowing what you know today about Mr. Trie, what you have read or any personal knowledge you have on him, would you have recommended him to be on this commission?

Answer. That is pure speculation.

Mr. BALLEN. I object to that question.

The WITNESS. I am not going to speculate on that.

Mr. BALLEN. The witness never testified that he either recommended Mr. Trie or even knew about Mr. Trie. We have been going for 20 minutes on this now.

Ms. COMSTOCK. I am saying what he knows today, would that have been somebody on his list?

Mr. ROBBINS. Look, the first thing to be said is that there is no testimony because it is not in fact the case that this witness recommended Mr. Trie in the first place or that anyone reporting to him recommended Mr. Trie. The second is there is no foundation that he has learned anything about Mr. Trie one way or the other, another point that has not been established.

The third is that had you even established those things, the answer to the remaining question would be pure speculation, which, relying on your initial injunction to the witness at the outset of the deposition three and a quarter hours ago, was that he ought not to speculate. So taken your advice as given, he will not do so now.

Ms. COMSTOCK. I think he has already done that. So thank you for the speech.

Mr. ROBBINS. Next question.

EXAMINATION BY MS. COMSTOCK:

Question. What are the duties of Jennifer Hillman at USTR, if you know?

Answer. She is no longer at USTR.

Question. When she was there at or around September of 1995?

Answer. First, she was ambassador for textiles. She represented the United States in textile negotiations. Then I named her general counsel.

Question. What did those duties include in each position?

Answer. As textile negotiator, you negotiate agreements under the multi-fiber arrangements and under the Uruguay Round as well as bilateral agreements with other countries in terms of textile quotas and other matters related to that. As general counsel, of course, she was in charge of the legal staff at USTR and reviewed any and all questions that come under that jurisdiction.

Question. Could you describe the duties of Demetri Boutris in September of 1995, at or around that time frame?

Answer. Mr. Boutris worked in the office of USTR. He was a special assistant to the chief of staff, Mr. Scher, and maybe Mr. Nides before Mr. Scher. I don't know when that changed. I am trying to remember. Anyway, to the chief of staff and worked in the office of the USTR.

Question. Other than what you have told us this far, do you have any other knowledge of Mr. Trie or how he came to be on this commission?

Answer. No.

Question. Do you know who was in charge of selecting the names for the commission generally, who gathered them and then typed them up?

Answer. You talking about the Bingaman Commission?

Question. Yes.

Answer. It was a, as I understand it, although I was not personally involved in the day-to-day discussions, combined effort between USTR and the White House personnel.

Question. What was your understanding of the commission's activities?

Answer. The commission was designed to review our trade policies in Asia, to analyze market barriers or barriers to entry for U.S. products and services, and suggest recommendations as to how we could better impact the fastest growing market in the world, which is Asia.

Question. Do you have any knowledge of Mr.—strike that.

Understanding that you had moved over to the Commerce Department in April of 1996, so at the time when stories about Mr. Trie first started appearing in late 1996, you were no longer at the USTR's office, but did you at any time have any discussions with anybody within the government about whether or not Mr. Trie should continue to serve on that commission?

Answer. I can't recall any discussion that I had with anyone regarding that subject.

Question. After you left the USTR office, did you have any occasion to work with anyone about the Bingaman Commission?

Answer. I can't recall anything related to being with the commission while I was Secretary of Commerce.

Question. Did you have any knowledge of Mr. Trie being a DNC contributor?

Answer. No.

Question. Was the first time you learned of that in news accounts then?

Answer. Yes.

Question. Could you describe any knowledge you have about the appointment of Charles DeQueljue to the investment services and policy advisory committee in December of 1994?

Answer. I have no specific knowledge, no recollection. However, I was under the impression that the name came from the White House.

Question. Do you know who was in charge of putting together that advisory committee?

Answer. Again, we would, it would be the same process as under the Bingaman Commission. We were—from time to time you changed the membership of these advisory committees at USTR. They would have been conversations with my staff and

White House personnel regarding the membership of this commission as well as any other.

Question. Did you have any discussion with anyone at the White House about Charles DeQueljue?

Answer. No.

Question. Do you know if you had any discussion with anyone at the White House regarding appointing Mi Ryu Ahn to serve on this same committee, the investment services and policy advisory committee.

Answer. Say the name again.

Question. Mi Ryu Ahn, M-I R-Y-U A-H-N?

Answer. I do not recall the person you have just referred to as being on that committee. But I just do not even recall the name.

Question. Are there any other additional individuals other than the ones we have talked about who would have been involved in compiling names for these type of committees or commissions?

Answer. It would have been either Phyllis Jones or Debbi Shon who worked in my—with our public liaison operation from USTR's side. At the White House I would have no idea of course. That is all I know.

Question. Those individuals would have been working with the White House Office of Personnel?

Answer. Well, they would have compiled a list and would have sent it over informally, would have tried to put names acting together.

Question. Was this back and forth between the 2 offices?

Answer. I just assume. I was not involved in that day-to-day.

Question. I am trying to get your understanding of the process to the extent you have knowledge?

Were you aware of any conflict of interest waivers that were raised in relation to Mr. DeQueljue?

Answer. No.

Question. In the 1993 APEC summit in Seattle, do you recall ever meeting with James Riady at that summit?

Answer. No. I have no recollection of meeting with James Riady in 1993 at APEC.

Question. I would like to discuss with you some issues related to GSP privileges for Indonesia.

Mr. ROBBINS. GSP privileges for Indonesia.

The WITNESS. General System of Preferences. Are we going to discuss policy matters?

Mr. ROBBINS. I assume it will not take a lot of windup to get to some pitch that relates to fund-raising improprieties. We are not going to have a seminar on trade policy, are we?

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall in 1993 discussing GSP issues with anybody at the White House in regards to Indonesia?

Mr. BALLEN. I object. I do not see the pertinency of this question.

Mr. ROBBINS. I have a pending objection as well. The objection is that if you need to lay a foundation for something that is going to connect the alleged fund-raising improprieties, that is fine. But we are not going to engage in some long dissertation on the policy of this administration or any of its constituents.

EXAMINATION BY MS. COMSTOCK:

Question. I am showing the witness a document marked HHH 3585 through 96, which is a January 20, 1994 letter to the Honorable Michael Kantor from Dr. Arifin Siregar, Ambassador to Indonesia. It discusses steps taken by the government of Indonesia to improve worker rights. These are documents that we received from Hip Hing Holding Company, which is a company that John Huang worked with in the early 1990s. Do you recall receiving this document from the Ambassador of Indonesia.

Mr. BALLEN. Mr. Kantor, I will object to the question again. Same grounds as to relevance before this committee's inquiry.

Mr. ROBBINS. Do you remember getting this document?

The WITNESS. Well, I remember the situation and our commitment to try to improve worker rights in Indonesia and that Bob Cassidy and Mr. Damond, who worked for Bob negotiating this agreement. I do not remember the specific letter at this point, but I certainly remember the fact that we reached this agreement in 1994.

EXAMINATION BY MS. COMSTOCK:

Question. Were you aware of anyone from the Riady family or Lippo Group or Lippo affiliates such as Hip Hing Holdings contacting anyone at the White House about these worker rights issues?

Answer. No.

Question. Were you aware of John Huang contacting anybody at the White House about these matters in 1993 or early 1994?

Answer. No.

Ms. COMSTOCK. I will make this Deposition Exhibit Number 14.

[Kantor Deposition Exhibit No. MK–14 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Do you know if you ever talked about any of these GSP privileges for Indonesia issues with Webb Hubbell?

Answer. No.

Question. Are you aware of reports that I believe Mr. Damond said that he had been asked to meet with somebody from the Riady family at some point about this issue?

Mr. ROBBINS. Is he aware of reports like in the Washington Post?

EXAMINATION BY MS. COMSTOCK:

Question. News reports.

Answer. Mr. Damond?

Question. Do you have any knowledge of Mr. Damond ever meeting with the Riadys?

Answer. No, I do not.

Question. Do you know if individuals at the USTR office were involved in the decision in February of 1994 to end the review of Indonesia on the labor standards issues?

Answer. We were—the person at USTR involved in that decision, the review was not ended. The investigation was suspended based upon the agreement to improve the labor rights in Indonesia. It was a very good agreement, and Mr. Damond is a career employee and did a very good job on that, working with Bob Cassidy, who is his supervisor. Both of them are career employees.

Mr. BALLEN. I will continue to object. I was not aware and I do not think any of our Members were aware that we were going to have a deposition where Mr. Kantor was going to be questioned about his tenure at USTR, which, I will editorialize, was a distinguished tenure. There has never been a statement by the chairman or anyone before the committee that the deposition of Mr. Kantor would encompass inquiries into his tenure at USTR and how he performed his function there.

Ms. COMSTOCK. There have been issues raised in the newspaper about how——

Mr. BALLEN. The newspaper does not govern how we investigate it. Maybe it does for you. Maybe that is the problem here. But I thought we had a committee. I thought we had resolutions that we passed in the House and we must ask questions pertinent to those.

Ms. COMSTOCK. And we are. I am asking about the Riady family. There are letters to the White House discussing these issues and other areas. I am finding out any knowledge that Mr. Kantor has about any communications that may have gone to his office or others. He has testified what that knowledge is or is not. That is what we are doing here. I think there has certainly been public reports that human rights groups were very concerned about how those issues came about, and we are looking at how and why they came about. I think we have Members of our committee on both sides of the aisle who are very interested in those human rights issues.

Mr. BALLEN. If you can point me to a specific authorization of this committee or in any committee meeting or any statement that we were to investigate human rights in Indonesia.

Ms. COMSTOCK. Government policies and how they were affected by donors, Mr. Riady being a large donor in the 1992 campaign, is an issue that is being examined by the committee.

Mr. ROBBINS. I would like the record to reflect that to the extent that there were any facts asserted in the last colloquy, they do not reflect the testimony of this witness who is patiently abiding the next question.

EXAMINATION BY MS. COMSTOCK:

Question. Did you participate in what has been generally described as the Wednesday money meetings at the White House?

Answer. Wednesday what?

Question. Money meetings at the White House in 1996.

Answer. I had nothing to do with money in 1996, as you described it. I assume you are referring to campaign fund-raising.

Question. Yes, and I am also referring to meetings that were held at the White House, strategy meetings on Wednesday evenings?

Answer. Those were not about campaign fund-raising.

Question. At any of the meetings, did you attend Wednesday evening strategy meetings?

Answer. Which meetings are you talking about?

Question. Well, you said you have not attended money meetings at the White House.

Answer. Right.

Question. And then separately did you attend strategy meetings during the campaign in 1996 at the White House?

Answer. With who?

Question. With anyone at the White House.

Answer. Yes. I attended what were known as Wednesday evening meetings on political strategy, most of which were not held on Wednesday evening.

Question. And were fund-raising issues, they were not discussed at those meetings?

Answer. No, they were not.

Ms. COMSTOCK. If we could just take a moment, I think I am just about done. (Recess).

Ms. COMSTOCK. Back on the record.

EXAMINATION BY MS. COMSTOCK:

Question. This is an October 17, 1996 Los Angeles Daily News article. I only have one copy of it here, but in this article it indicates that Mr. Riady did meet with trade official Joseph Damond, Director for Southeast Asia at the Trade Representative's office. The article says, "Mr. Damond described Riady's role today as something of a cultural intermediary advising American officials about how to shape their demands," so that the Indonesian government understood we were not trying to harm their competitiveness but we truly wanted to improve labor conditions.

I wanted to show that to the witness and ask if you had any understanding of Mr. Riady having any type of role like that in relation to trade issues with Indonesia?

Answer. I never discussed Indonesia trade issues with Mr. Riady. I never met with Mr. Riady about Indonesia trade issues and have no knowledge of Mr. Damond's meeting with Mr. Riady, if in fact it ever occurred.

Question. Do you have any knowledge about anybody at the White House having any discussion with Mr. Riady about any trade issues or being a cultural intermediary?

Answer. No, I have no personal knowledge of that whatsoever.

Ms. COMSTOCK. I will make this Deposition Exhibit Number 15.

[Kantor Deposition Exhibit No. MK–15 was marked for identification.]

Ms. COMSTOCK. I would note there is highlighting on this copy and I will get for the reporters a document that is unhighlighted. It is LA Daily News, Thursday, October 17, 1996. Well, it is a David Sanger article from the New York Times. I think it is printed in the Los Angeles Daily News. The article is entitled "Administration Offers Defense of Indonesian Policy."

The WITNESS. May I see that again?

Thank you very much.

EXAMINATION BY MS. COMSTOCK:

Question. Do you know of a gentleman named Jack Palladino who worked on the campaign, Clinton-Gore campaign in 1992?

Answer. I don't think I have ever met him. I know who he is.

Question. Do you know whether Mr. Palladino, anything about him ever doing any investigations of Members of Congress?

Answer. I have no knowledge of that whatsoever.

Mr. BALLEN. I will object to this line of questioning. I fail to see the relevance again to the inquiry.

Ms. COMSTOCK. I believe that is all the questions I have at this time. Thank you, Mr. Kantor.

EXAMINATION BY MR. BALLEN:

Question. Mr. Kantor, I have just five questions, just so the record is clear.

When Mr. Hubbell announced his intention to resign from the Department of Justice, did you have any reason to believe that he was possibly guilty of criminal misconduct?

Answer. No.

Question. In fact, it was not until late in 1994 at or about his guilty plea that you found out that there was any criminal component to his billing dispute with the Rose law firm?

Answer. That is correct.

Question. Did the President, First Lady or anyone working at the White House ever ask you to provide any assistance to Mr. Hubbell?

Answer. No.

Question. Did you ever discuss who was providing assistance to Mr. Hubbell, the President, First Lady or anyone at the White House?

Answer. No.

Question. In fact, I believe you testified you never at any time attempted to find any employment opportunities for Mr. Hubbell?

Answer. Yes. That is correct. I have testified to that.

Question. And did you ever discuss setting up trust funds to help Mr. Hubbell with the President?

Answer. No.

Mr. BALLEN. I have no further questions.

Ms. COMSTOCK. Thank you, Mr. Kantor.

[Whereupon, at 11:46 a.m., the deposition was concluded.]

[The exhibits referred to follow:]

TO: Dalia Traynham
FR: Melinda Yee
RE: RMB's Schedule
DATE: September 14, 1992

Per our conversation, here is the proposed schedule for RMB this week in California. I will be staffing him at both events.

Thursday, September 17, 1992
3:00 p.m. to 3:30 p.m.
Japanese Cultural and Community Center of Northern California
Contact on Site: Catherine Lew (Clinton/Gore) (415) 567-5505
1840 Sutter Street between Buchanan and Webster, San Francisco
Meeting with elected officials and community leaders, open to press. Issues discussion.
Estimated attendance: 20 leaders/20 press
Key elected officials: Tom Hsieh - SF Supervisor, Leland Yee - SF School Board, Wilma Chan - Oakland School Board, Mabel Teng - SF Community College Board, Mike Honda, Santa Clara County Supervisor

3:30 p.m. to 4:00 p.m.
Rally with Northern California Asian Pacific Americans for Clinton/Gore, Approximately 100 people. Introduced by Mike Honda.
Message: Change and How the Clinton Message Applies to the Asian Pacific American Community; Rebuild America, Rebuild Hope and Register to Vote.

Friday, September 18, 1992
APAC-VOTE, Contact Nora Lum
23930 Madison Avenue
Torrance, California
(310) 791-3011

10:00 a.m. to 10:30 a.m.
Private meeting with Nora Lum and key community leaders. Closed to press. Estimated attendance: 20 people. This topic is Asian Pacific American issues in the election. A discussion will focus on what this group should be doing to win back the election.

10:30 a.m. to 10:45 a.m.
Press availability with Asian Pacific American elected officials and community leaders, including Secretary of State March Fong Eu, LA City Councilman Michael Woo, Torrance City Councilman George Nakano, Gardena City Councilman Mas Fukai, Carson City Councilman Pete Fajardo, Dr. Tahla Lal (Chair, Pacific Islanders Organization). Introduced by ...Message: Get out and register to vote, Asian Pacific Americans for Clinton/Gore.

cc: Stephanie Solien
Mickey Kantor
Marcy Sandoval
Leeann Inadomi
Maria Cardona
Andrew Morin

E 0000619

EXHIBIT
MK-1

Citation
[illegible]'94 WASHPOST A01
[illegible]/94 Wash. Post A01
1994 WL 2274035

Search Result Rank 10 of 22 Database
WP

The Washington Post
Copyright 1994

Wednesday, March 2, 1994

A SECTION

Law Firm Probing Hubbell; Billing Irregularities Alleged; Clinton Aide Denies Wrongdoing

Susan Schmidt
Washington Post Staff Writer

The Rose Law Firm in Little Rock, Ark., has been investigating the billing practices ofAssociate Attorney General Webster L. Hubbell during the time he was a partner in the Rose firm. The investigation, which is being conducted by senior partners of the firm, focuses on whether Hubbell overbilled clients and used law firm money to pay for personal expenses, according to sources close to the firm.

The internal investigation began in the summer of 1992, and the firm is considering notifying the Resolution Trust Corp. and several other major clients of billing irregularities, according to a source familiar with the matter. The firm also has been weighing whether to inform the state bar association.

The RTC, the federal agency overseeing the savings and loan industry, was among the major clients Hubbell handled for Rose, one of Arkansas' oldest and most prestigious law firms. In addition to Hubbell, its former partners include First Lady Hillary Rodham Clinton and the late Vincent Foster, who served as deputy White House counsel before his suicide last July.

The pace of the Rose firm's inquiry has sped up in recent weeks as the law firm was subpoenaed in a criminal investigation by special counsel Robert B. Fiske Jr., who is investigating President Clinton's Whitewater land venture and the failed Madison Guaranty Savings & Loan, a former Rose firm client.

Asked whether Hubbell had overbilled clients or used the firm's money to pay for personal expenses, Hubbell's attorney, John Nields, said, "No, that did not happen." He said he had no knowledge that Rose lawyers are considering reporting Hubbell's activities to the Arkansas Bar Association. "I certainly doubt it, but only the firm can answer that question," Nields said.

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

EXHIBIT
MK-2

3/2/94 WASHPOST A01

Numerous senior lawyers at the firm contacted in recent days about the Hubbell investigation said they could not comment on it and referred all questions to managing partner Ronald M. Clark.

Clark declined repeated requests for interviews this week. When first asked about the investigation in an interview about three weeks ago, he said he would have no comment on any internal inquiry of Hubbell, but said "anything and everything" related to the special counsel's investigation is being examined internally.

Walter B. Stuart, who is acting as a spokesman for the Rose firm, said Monday that "I'm certainly not confirming or denying anything." He said the firm would not respond to inquiries concerning clients or internal matters. Stuart, a lawyer with the Houston firm of Vinson & Elkins, is representing the Rose firm in connection with the special counsel's ongoing investigation.

One source familiar with the inquiry said that Rose lawyers are investigating whether Hubbell wrote checks on an account used for client expenses to pay for his personal trips, credit card bills and other items. The firm has examined records going back to 1988, according to the source.

In some instances, Rose lawyers also are investigating whether Hubbell credited to himself hours of legal work performed by salaried associates, according to sources.

In one case involving a company owned by Hubbell's in-laws, Rose lawyers believe the firm lost about $500,000 because of a billing arrangement Hubbell made with his relatives. In that instance, Hubbell took on a contingency basis a complex patent infringement case on behalf of his in-laws. Rose lost the case, and belatedly discovered that Hubbell had agreed that the law firm would pay for expert witnesses on his in-law's behalf.

A lawsuit filed against the Rose firm in federal court in Washington in May 1993 shows that a consultant had a written agreement with Hubbell providing that the Rose firm would pay his fees, amounting to $156,000. The Rose firm balked but was legally obligated to pay the bill, court records show.

Hubbell, a close friend and frequent golfing companion of the president, has taken control of a wide array of issues at Justice, including civil rights and other non-criminal matters. Some department officials have described him as the department's chief operating officer.

Hubbell generally is regarded as the department's chief point of contact with the White House, and was effectively running Justice as

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

3/2/94 WASHPOST A01

W e House "liaison" in the months before Janet Reno's confirmation as attorney general last spring. He was confirmed to the No. 3 job there in May.

The Rose firm has been racked with turmoil in recent months, with many of the 60 attorneys there upset at being dragged into special counsel Fiske's investigation of Madison and Whitewater.

The subpoena recently served on the Rose firm in relation to Fiske's investigation sought materials on a wide array of individuals and entities, including Hubbell's father-in-law, Seth Ward, a former Madison employee and borrower. The subpoena also sought materials on P.O.M. Inc., a parking meter firm owned by the Ward family and represented by Hubbell. P.O.M. was the firm involved in the patent infringement case handled by Rose.

Hillary Clinton represented Madison before state regulators in the mid-1980s, a matter that figures into the special counsel's investigation. She and President Clinton were joint owners of Whitewater with Madison owner James B. McDougal and his former wife Susan.

Four of the Rose firm's top partners came to Washington with C'inton's election and because prominent figures in the a .nistration. In addition to Hillary Clinton, Hubbell and Foster, former Rose managing partner William Kennedy is in the White House counsel's office.

Fiske's wide-ranging probe also is examining Foster's suicide. On the morning of his death, U.S. Park Police records show that Foster received a phone message from C. Brantley Buck, the Rose firm's chief financial officer. Foster tried to return the call later that morning but did not get through. It is not known what Buck was calling about. Buck declined to be interviewed this week.

With the departure of four of its most senior partners, a new generation of lawyers has taken control of the Rose firm, most of them in their thirties and early forties. Sources close to the firm say many of them are furious that their livelihoods and their firm's once-sterling reputation are being damaged by actions of the firm's old guard.

Any grievances made to the bar association remain confidential unless it decides to take disciplinary action against a lawyer.

Rose partners have been advised by the state's leading expert in professional ethics, University of Arkansas Prof. Harold Brill, that t' v have a duty to report any findings about Hubbell to the state L association, according to a source close to the firm. Brill

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

3/2/94 WASHPOST A01

: ined to comment yesterday.

A source close to the firm said senior lawyers there have been agonizing over how to resolve the Hubbell investigation. But they have tried to find ways to handle the probe that cause the least amount of embarrassment to the Clinton administration and to Hubbell.

TABULAR OR GRAPHIC MATERIAL SET FORTH IN THIS DOCUMENT IS NOT DISPLAYABLE

PHOTO,,Gerald Martineau
Caption: Webster Hubbell's clients at Rose Law Firm, one of the oldest and most prestigious in Arkansas, included the federal Resolution Trust Corp.

---- INDEX REFERENCES ----

NAMED PERSON: WEBSTER L. HUBBELL; HILLARY RODHAM CLINTON; VINCENT FOSTER; ROBERT B. FISKE JR.; BILL CLINTON

ORGANIZATION: MADISON GUARANTY SAVINGS & LOAN; ROSE LAW FIRM; RESOLUTION TRUST CORP.

KEY WORDS: SUBJECTS: LEGAL SERVICES; LAWYERS; APPOINTED GOVERNMENT (:CIALS; ETHICS AND MORALITY; U.S. PRESIDENT; SAVINGS AND INVESTMENTS

NEWS SUBJECT: LAW & LEGAL ISSUES (LAW)

NEWS CATEGORY: NEWS FOREIGN

MARKET SECTOR: FINANCIAL (FIN)

INDUSTRY: DIVERSIFIED FINANCIAL SERVICES (FIS)

GOVERNMENT: EXECUTIVE (EXE)

EDITION: FINAL

Word Count: 1123
3/2/94 WASHPOST A01
END OF DOCUMENT

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

11472

TO Judge
DATE 3/2 TIME 8:15
PHONE CALLS
"WHILE OUT" RECORD
M. Suzuki
OF
PHONE AREA CODE NUMBER EXTENSION

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY:

TO Judge
DATE 3/2 TIME 9:15
PHONE CALLS
"WHILE OUT" RECORD
M. Jim Fields
OF
PHONE 383-6639 AREA CODE NUMBER EXTENSION

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY:

TO Judge
DATE 3/2 TIME 8:15
PHONE CALLS
"WHILE OUT" RECORD
M. [illegible]
OF
PHONE 395-3204 AREA CODE NUMBER EXTENSION

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY:

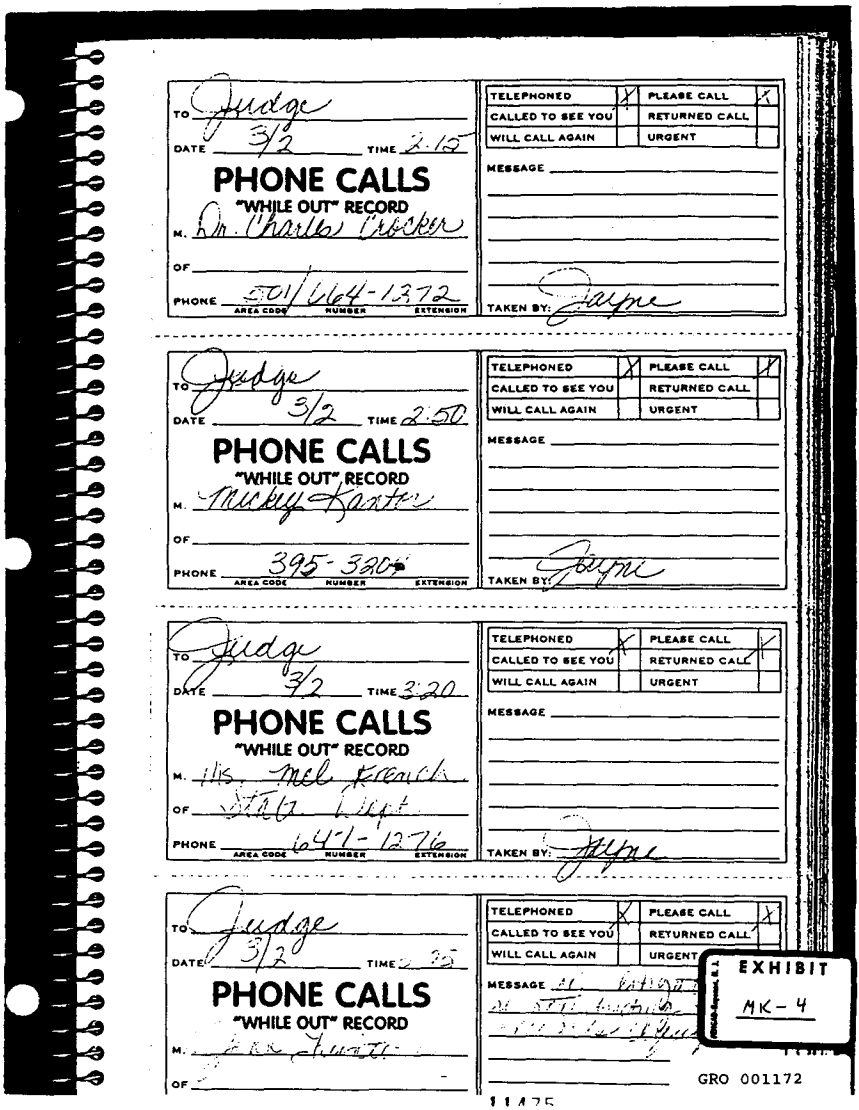
TO Judge
DATE 3/2 TIME 9:15
PHONE CALLS
"WHILE OUT" RECORD
M. [illegible]
OF
PHONE

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE

EXHIBIT
MK-3

GRO 001169



TO Judge
DATE 3/2 TIME 2:15
PHONE CALLS
"WHILE OUT" RECORD
M. Dr. Charles Crocker
OF
PHONE 501/664-1372 (AREA CODE / NUMBER / EXTENSION)

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY: Jayne

TO Judge
DATE 3/2 TIME 2:50
PHONE CALLS
"WHILE OUT" RECORD
M. Micky Baxter
OF
PHONE 395-3204 (AREA CODE / NUMBER / EXTENSION)

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY: Jayne

TO Judge
DATE 3/2 TIME 3:20
PHONE CALLS
"WHILE OUT" RECORD
M. Mrs. Mel Kreamer
OF State Dept
PHONE 641-1276 (AREA CODE / NUMBER / EXTENSION)

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY: Jayne

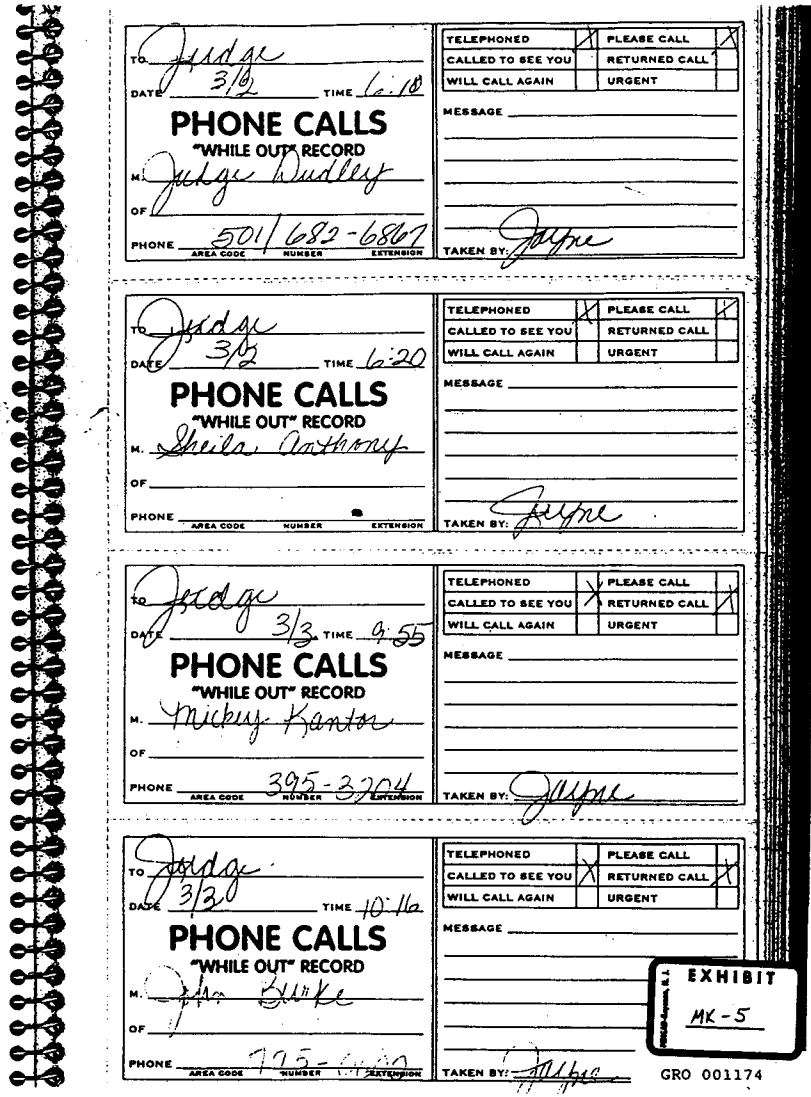
TO Judge
DATE 3/2 TIME 3:35
PHONE CALLS
"WHILE OUT" RECORD
M.
OF

TELEPHONED		PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE

EXHIBIT
MK-4

GRO 001172



TO Judge
DATE 3/2 TIME 6:18
PHONE CALLS
"WHILE OUT" RECORD
M. Judge Dudley
OF
PHONE 501 682-6867
AREA CODE NUMBER EXTENSION

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY: Jayne

TO Judge
DATE 3/2 TIME 6:20
PHONE CALLS
"WHILE OUT" RECORD
M. Sheila Anthony
OF
PHONE
AREA CODE NUMBER EXTENSION

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		RETURNED CALL	
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY: Jayne

TO Judge
DATE 3/3 TIME 9:55
PHONE CALLS
"WHILE OUT" RECORD
M. Mickey Kantor
OF
PHONE 395-3704
AREA CODE NUMBER EXTENSION

TELEPHONED		PLEASE CALL	X
CALLED TO SEE YOU	X	RETURNED CALL	X
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY: Jayne

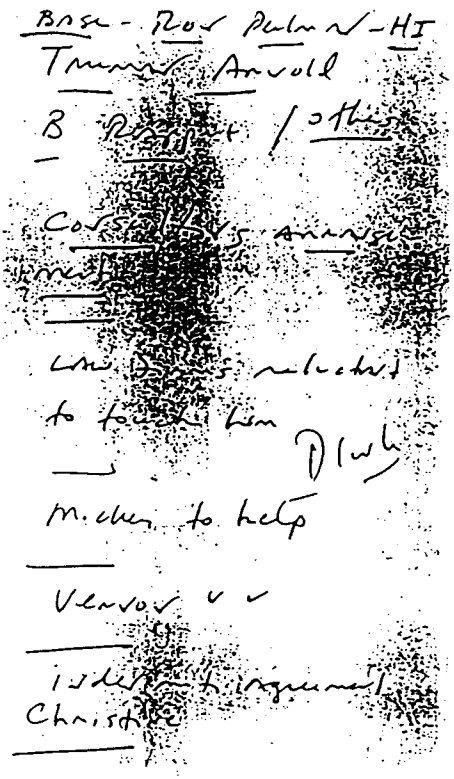
TO Judge
DATE 3/3 TIME 10:16
PHONE CALLS
"WHILE OUT" RECORD
M. Ellen Burke
OF
PHONE 775-
AREA CODE NUMBER EXTENSION

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU	X	RETURNED CALL	X
WILL CALL AGAIN		URGENT	

MESSAGE
TAKEN BY:

EXHIBIT
MK-5

GRO 001174





EOP 020328

COMMITTEE ACCESS

REPORT NO. WAV0770S
RUN DATE 94/08/01
VISITOR

WAVES
VISITOR SUMMARY FOR 94/07
VISITEE - UIN TIME DATE LOC ROOM - REQUESTOR BADGE TOA PDA

PAGE NO: 279

COMMITTEE ACCESS

EXHIBIT
MK-7

EOP 020370

HUBBELL DINNER
JULY 28, 1994
CONFIRMS

TRUMAN AND ANITA ARNOLD
WEBB HUBBELL
MICHAEL KANTOR AND HEIDI SCHLUMAN
WAYNE AND DANA REAUD
BERNARD AND AUDRE RAPOPORT
C.W. AND DOROTHY CONN
GLEN AND TERI MORGAN
MARSHA SCOTT
BILL WHITE
MARK MIDDLETON
BERYL AND SHELIA ANTHONY
CONG. SAM FARR
SEN. DAVID PRYOR
FRANK THOMAS
CONG. AND CHARLOTTE BROOKS
MARTHA WHETSTONE
NANCY HERNREICH
SEN. DAVID PRYOR
FRANK THOMAS
THOMAS "MACK" AND DONNA McLARTY
VERNON AND ANN JORDAN

003405

EXHIBIT
MK-8

Mr. and Mrs. Truman Arnold
request the pleasure of your company at dinner
on Thursday, July 28
at 7 o'clock
86 Kalorama Circle, NW
Washington, DC 20008

R.S.V.P.
202-332-3758

TA(H)0000024



HUBBELL DINNER
JULY 28, 1994
CONFIRMS

TRUMAN AND ANITA ARNOLD
WEBB HUBBELL
MICHAEL KANTOR AND HEIDI SCHLUMAN
WAYNE AND DANA REAUD
BERNARD AND AUDRE RAPOPORT
C.W. AND DOROTHY CONN
GLEN AND TERI MORGAN
MARSHA SCOTT
BILL WHITE
MARK MIDDLETON
BERYL AND SHELIA ANTHONY
CONG. SAM FARR
SEN. DAVID PRYOR
FRANK THOMAS
CONG. AND CHARLOTTE BROOKS
MARTHA WHETSTONE
NANCY HERNREICH
SEN. DAVID PRYOR
FRANK THOMAS
THOMAS "MACK" AND DONNA McLARTY
VERNON AND ANN JORDAN

HUBBELL TRUSTS
P. O. Box 1126
Little Rock, Arkansas 72203

August 21, 1995

cc to Mickey Kantor Sent 8/24/95

Mr. Bernard Rapoport
American Income Life Insurance Company
P.O. Box 2608
Waco, TX 76797

Dear Mr. Rapoport:

On behalf of Webb & Suzy I want to thank you for your generous gift to their children's education trust. Before Webb left for prison the education of his daughters was a major concern. He was aware of your gift and when I talked with him last night he told me to tell you how thankful he was. Your gift will be used for the girls education this semester. I really want you to know how much I appreciate your kindness. I am sure I will be calling you to give you messages from Webb. Once again thanks for the help.

Sincerely,

Michael C. Schaufele, CPA

MCS:jlm

003481

23 1995

EXHIBIT
MK-10

COMMERCECORP INTERNATIONAL
1155 PENNSYLVANIA AVENUE
SUITE 360
WASHINGTON DC 20004
TEL 202 [illegible]
FAX 202 [illegible]

FACSIMILE TRANSMISSION

TO: Mrs. Doris Matsui

FROM: Holli Weymouth

DATE: June 18, 1996

FAX: 456-6218

In the absence of an official biography for Mr. J.H. Zhou, I am forwarding a copy of a letter written to Mickey Kantor by John McAllister which provides a very good overview of Mr. Zhou's experience and the reason for his US visit. Please let me know if you require any additional information.

Best regards.



COMMERCECORP INTERNATIONAL
1155 PENNSYLVANIA AVENUE
SUITE 360
WASHINGTON DC 20004
TEL 202 737-9105
FAX 202 737-9319

FACSIMILE TRANSMISSION

TO: Mr. Jude Kearney

FROM: Holli Weymouth

DATE: June 18, 1996

FAX: 482-4775

In the absence of an official biography for Mr. J.H. Zhou, I am forwarding a copy of a letter written to Mickey Kantor by John McAllister which provides a very good overview of Mr. Zhou's experience and the reason for his US visit. Please let me know if you require any additional information.

Best regards.

FAXED

北京国际金融中心有限公司

BEIJING INTERNATIONAL FINANCIAL CENTER CO. LTD.

Building #15, Diaoyutai State Guest House, Haidian District, Beijing 100830, CHINA

Tel: (86) - 10 - 6859 0909

Fax: (86) - 10 - 6857 8586

John T. McAllister

Deputy General Manager

8 June 1996

Hon. Mickey Kantor
Secretary
U. S. Department of Commerce
Washington, D. C.

Via Fax: 00-1-202-482-2741

Dear Mickey,

Mr. J. H. Zhou, the President of our parent holding company whom I introduced to you on your March 1995 visit here, will be in Washington June 17-21 and has been encouraged by Fritz Hollings to seek a meeting with you at your convenience. Fritz will be contacting you about this request.

Fritz and Peatsy met Mr. Zhou during their trip here in early April. Mr. Zhou has been encouraged by discussions with them to try to take a more active role in helping to advance U. S. - China relations, especially trade and commercial relations.

Mr. Zhou is now accompanying Mme. Wu Yi on her tour of Latin America, following which he will come to Washington. As I have mentioned to you before, Mr. Zhou has had a long standing and close relationship with Mme. Wu Yi since her days as Deputy Mayor of Beijing. Recently, Mr. Zhou and I had a dinner meeting here with Mme. Wu Yi as she prepared for her trade mission.

Mr. Zhou is the President and principal of Junefield (Holdings) Ltd., a Hong Kong registered holding company. Virtually all of the major subsidiaries are P. R. C. registered and based private enterprise companies with two exceptions: trade and services companies in Hong Kong and trading and service companies in Peru.

Junefield originated as a textile trading company emphasizing cashmere and angora wool. That subsidiary continues to be a major contributor to what is now a more diversified company with a growing emphasis on real estate development and urban renewal.

Two Junefield subsidiaries, one of which I manage, are now engaged in the largest urban renewal project in Central Beijing on two adjacent parcels. The project area, located about 1 mile west of Tiananmen Square, is in total about 110 acres with conditional approval for about 26 million sq. ft. of mixed-use development. About 4 million sq. ft. of this is now under construction and comprises the largest private enterprise urban destination development in Central Beijing. Known as Junefield Plaza, this project will include China's largest department store which will be Beijing's first international department store as well as a five star 600 room hotel.

As a leader of China's new young generation of private entrepreneurs Mr. Zhou has a strong business interest in advancing U. S. - China trade and commercial relations. He has never before visited Washington. He has decided to come to Washington to learn more about how he can be helpful and to establish enduring personal relationships.

In late April, Mr. Zhou had the opportunity to meet and get to know Mark Middleton, formerly of the White House staff and now an international businessman. Mark has graciously offered to arrange a lunch meeting for Mr. Zhou in the West Wing of the White House and has made other suggestions of people for Mr. Zhou to get to know. Suggestions of your own would be greatly appreciated.

This past week we had a series of very constructive meetings with Dr. Michael Copps, Deputy Assistant Secretary for Basic Industries, who is an old and good friend of mine from Fritz Hollings' staff. Mike took the time to visit our urban renewal project area and to inspect the construction of Junefield Plaza.

When the President announced your appointment, he suggested that the opportunity had arrived for you to be "the good cop". Mr. Zhou, I and our colleagues want to do all we can to help in that task in Beijing. Mr. Zhou wishes to meet with you to:

(1) present some of his ideas about advancing U. S.-China trade and commercial relations;
(2) obtain your ideas and suggestions for action that he can pursue; and
(3) establish the basis for a continuing cooperative effort.

I will arrive in Washington on the afternoon of 11 June and will be at the Washington Marriott (Phone: 393-2000 / Fax: 626-6991). Once again, I will have an opportunity to be an advance man, this time for Mr. Zhou's 17-21 June visit. Your consideration of our request will be appreciated. I will contact your office after my arrival.

Sincerely,

John T. McAlister
JTM/ac

cc: Senator and Mrs. Ernest F. Hollings
Mark Middleton, Esq.

From: Jennifer Hillman
To: boutris demetri
Date: Thursday, September 21, 1995 11:55 am
Subject: US Pacific Commission -Forwarded

Can you look into two issues for me. This is not urgent, but we'll need it in the near term. The Executive Order regarding the Bingaman commission calls for the commission to consist of 15 members and for the report to be issued by February 1, 1996. However, the White House now wants to add more members and there is no way the report can be done by Feb 1, 1996, given that the appointees will have to go through a securitiy clearance, etc. Can you find out: (1) how difficult is it and what is the process to amend the executive order (I'd suggest calling Mac Reed at OMB) and (2) if we were not able to easily amend the executive order, what happens if we simply have too many members and the report is issued late?

35-63
5/5~~600~~
tx 5/7294
LN 9/221

From: Phyllis Jones
To: hillman jennifer, scher peter, n
Date: Thursday, September 21, 1995 11:32 am
Subject: US Pacific Commission

Well, I spoke with Charles Duncan about Bingaman late Wed. Here is the update. They have not bumped anyone off of our list. However, they want to add 3 people - a Senator Sarbanes person(Charles will let me know the name) , a DNC nominee Yah Lin Trie, President of Daihatsu International, an international trading company and an Asian-American exec from Toys R Us.

Charles thinks the best thing to do is to get the exec order amended so it can be increased.
Jennifer, how difficult is this to do? They are trying to push this through but we need to get the question answered about the commission size. Also, we will need to extend the report due date.
Thanks.

amendment

EXHIBIT
MK-12

Amend: 15 to 18
Extend the due date.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20506

DECISION MEMORANDUM October 6,

FOR: Ambassador Kantor

THROUGH: Ambassador Hillman

FROM: Demetri Boutris

SUBJECT: Bingaman Commission Executive Order Amendment

Attached for your signature is a memo to OMB Director Rivlin requesting an amendment to the Executive Order establishing the Bingaman Commission by (i) expanding its membership from 15 to to 20 members, and (ii) extending the deadline its report to the President from next February 1 to next June 30.

FYI, OMB and DOJ legal staff have informally pre-cleared the attached text, reserving final comments, if any, for Director Rivlin.

Tab A MK memo to Director Rivlin

Tab B Draft Amendment to Executive Order

Tab C Original Bingaman Commission Executive Order

Approved. I've initialed the memo to Director Rivlin.

___ Let's discuss.

EXHIBIT
MK-13

EOP 081125

cc P. Scher, I. Shapiro, P. Jones, N. Leamond, L. Sands, R. Cassidy

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

MEMORANDUM FOR Alice M. Rivlin
Director
Office of Management and Budget

FROM: Ambassador Michael Kantor
United States Trade Representative

SUBJECT: Draft Executive Order: Amendment to the United States-Pacific Trade and Investment Policy Commission

Attached is a draft executive order amending the provisions of Executive Order 12964 of June 21, 1995 that instituted the Commission on United States-Pacific Trade and Investment Policy ("Commission") by expanding the Commission's membership from 15 to up to 20 members, and extending the deadline for submission the Commission's report to the President from February 1, 1996 June 30, 1996.

Pursuant to Executive Order 11030, as amended, I hereby request processing of this draft executive order.

In particular, this draft executive order substitutes in Executive Order 12964 (i) section 1, second sentence, "up to 20" for "15", and (ii) section 2, first sentence, "June 30" for "February 1". A copy of Executive Order 12964 establishing the Commission is also attached.

EOP 081126

Draft

EXECUTIVE ORDER

- - - - - - - - -

AMENDMENT TO EXECUTIVE ORDER 12964

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), and to facilitate the work of the Commission on United States-Pacific Trade and Investment Policy, it is hereby ordered that Executive Order 12964 of June 21, 1995, is amended (i) in section 1 by inserting in the second sentence "up to 20" in place of "15", and (ii) in section 2 by inserting in the first sentence "June 30" in place of "February 1".

THE WHITE HOUSE,

[date]

KEDUTAAN BESAR REPUBLIK INDONESIA
EMBASSY OF THE REPUBLIC OF INDONESIA
WASHINGTON, D.C. 20036

CABLE ADDRESS: INDONESIA

CHANCERY
2020 MASSACHUSETTS AVENUE, N.W.
TELEPHONE 775-5200

THE AMBASSADOR

January 20, 1994

The Honorable Michael Kantor
United States Trade Representative
Executive Office of the President
Washington, DC 20506

Dear Ambassador Kantor:

It is my honor to draw your attention to additional steps taken by my Government to improve worker rights in our country. These include the promulgation of two important regulations which constitute significant steps in the areas of freedom of association and collective bargaining, as well as the settlement of industrial disputes. I have outlined these and other steps we have taken in the attached summary. This supplements the statements made by the Government of Indonesia before the GSP Subcommittee on November 3, 1993. All these steps are reflective of our on-going commitment to improve worker rights.

We are transmitting two versions of this summary. One includes a copy of the confidential ILO report to my Government and is marked "Confidential." The other does not include the ILO report and is to be regarded as the public version.

The Government of Indonesia sincerely appreciates the opportunity to present the attached summary for your consideration. We respectfully request that, in light of the actions taken by my Government as outlined in this summary and in previous statements, the current worker rights review of Indonesia be terminated by February 15, 1994, with Indonesia retaining its status as a GSP beneficiary country under the U.S. GSP Program.

With assurances of my highest regards,

Yours sincerely,

Dr. Arifin M. Siregar
Ambassador

EXHIBIT
MK-14

12/23

cc: Mr. Joseph M. Damond

Attachments

SUMMARY OF ADDITIONAL STEPS TAKEN
BY THE GOVERNMENT OF INDONESIA
TO IMPROVE WORKER RIGHTS

Introduction

The Government of Indonesia ("the Government") is pleased to submit this summary to the GSP Subcommittee of the Trade Policy Staff Committee (TPSC). This submission follows many others on the subject of our continuing efforts to improve the rights of workers and their terms and conditions of employment. We respectfully draw the Subcommittee's attention to the statements of the Government of November 3, 1993 before the GSP Subcommittee of the TPSC (Exhibits 1 and 2). These statements, and the actions cited as taken, or proposed therein, reaffirm the commitment of the Government to continue taking steps to afford workers in our country internationally recognized worker rights.

These continuing steps are being taken as part of our long term development plans to promote economic growth, equitable distribution of income and political stability. Indonesia has made considerable strides in economic development as outlined in our November 3 statements. It must be remembered, however, that despite this progress the annual per capita income in Indonesia is only about U.S. $630, and our socio-economic constraints are still considerable.

We note that the Government of the United States recognizes the fact that the development levels of countries differ as do their labor standards, and that developing countries such as Indonesia are not expected to have the prevailing labor standards of the United States.

That said, our Government accords good labor relations a high priority as an integral part of our effort to promote economic growth and political stability and thus improve the well-being of our workers and all our people. For this reason we have taken the following additional steps to improve worker rights in our country.

I. Permitting Worker Organizations At the Company Level to Negotiate Collective Labor Agreements

The Government is pleased to announce that we have promulgated by Ministerial Decree (PER/01/1994), a new regulation (Exhibit 3) which allows workers in companies employing 25 or more persons the right to form company unions and for these company unions to negotiate binding collective labor agreements (CLAs).

Previously, management in a company employing 25 or more workers was required to establish Company Regulations (CRs), but was not obliged to negotiate these regulations with the workers. The Government of Indonesia concurred with the ILO's view that CRs

were "no substitute for voluntarily concluded collective labor agreements". Thus, workers now not only have the right to form independent company unions, but also the right to negotiate binding collective labor agreements. Company unions are encouraged to join the relevant SPSI sectoral union. The CLA is registered with the local Office of the Department of Manpower, and binds both management and the company union with immediate effect upon signature by both parties.

The new regulation prevents employers from taking any measures that hamper the establishment of a company union. Moreover, workers in the company determine the requirements to be met by those wishing to become union officials. This new regulation is a significant positive step forward in the areas of right of association and collective bargaining. Furthermore, in the event of a dispute, settlement is now done in accordance with the new implementing regulations of Labor Laws number 22 of 1957, and 12 of 1964, as described below.

II. Reducing the Involvement of Security Authorities in Labor Matters

The Government is pleased to advise that on January 4, 1994 a Ministerial Decision was promulgated (15A/MEN/1994) which eliminates the role of security authorities in cases of industrial dispute (Exhibit 4). This new Ministerial Decision replaces Ministerial Decision 342/MEN/1986 and Ministerial Decisions 1108/

MEN/1986 and 120/MEN/1988, which also dealt with the settlement of labor disputes (Exhibits 5, 6 and 7) and constitutes the implementing regulations for dispute settlement of Laws 22 of 1957, and 12 of 1964, among others (Exhibits 8 and 9).

The new Ministerial Decision simplifies and consolidates the provisions of these former Ministerial Decisions and provides, among other things, for a simplified mediation procedure in the event that a complaint or dispute arises at the work-place. Importantly too, its provisions apply to "other labor organizations", such as company unions. Management and workers are encouraged to take all possible steps to avoid lock-outs, or strikes and slowdowns. This is consistent with the spirit of our Pancasila philosophy.

The Government has made considerable progress in bringing to trial those responsible for the murder of Ms. Marsinah. The suspects are being brought to trial and will be prosecuted to the full extent of the laws of Indonesia.

III. Cooperation with the ILO on Issues of Worker Rights

On October 9, 1993, the Government invited an ILO team to visit Indonesia to assist in reviewing and providing advice on the implementation in Indonesia of ILO Convention No. 98 -- the Convention dealing with the right to organize and bargain collectively. As a result, an ILO Direct-Contacts Mission visited

Indonesia from November 21-27, 1993. The Mission had wide-ranging and candid discussions with the Minister of Manpower, a number of senior officials, union and other organization leaders. The Mission has transmitted its Confidential Report to the Government, and we have attached this, together with our preliminary assessment of the Mission Report, as Exhibit 10 for review by the U.S. Government only. Exhibit 10 does not appear in the public version of this submission.

The Mission's findings and recommendations as well as the on-going dialogue we will have with the ILO provide us useful inputs in taking steps to improve worker rights as part of a continuing course of action. Some of the Mission's recommendations, as contained particularly in paragraphs 26-29 of the Mission Report, in fact have already been acted upon, as outlined in this statement. For example, as a result of Ministerial Decree (PER/ 01/1994) workers now have the right to form independent company unions which, in turn, are allowed to negotiate binding collective labor agreements with management. This is reflective of a fundamental aspect of ILO Convention 98 which stresses the principle of voluntary negotiation of collective agreements.

The Mission has recommended that the Government simplify and consolidate existing labor laws and regulations. This is a complex task and understandably will take time. However, the Government has completed a compendium of all our labor laws and regulations in the Indonesian language and in English. We also

have established a Legislative and Regulatory Task Force to review our labor legislation and to avoid duplication and inconsistencies.

Moreover, we will increase the effectiveness of enforcement of our labor laws and regulations. As a first step, we will categorize companies according to their industrial relations record and determine which ones need to improve their record.

The Government has taken careful note of the other recommendations of the ILO, and looks forward to a continuing productive dialogue with the ILO as we assess future steps that we will consider to continue the process of improving worker rights.

IV. Minimum Wages

The Government has already announced its intention to revise the base-line for calculating minimum wages from the narrow criterion of *minimum subsistence* to *daily minimum living needs*. This will be progressively implemented from April 1, 1994, the beginning of our next Five-Year Development Plan. The Government oversees the continued improvement of minimum wage requirements and benefits and ensures their implementation.

As part of its continuing effort to raise the standard of living of our people and more equitably share the benefits of

economic growth in our country, the Government has taken steps to raise the minimum wage in a number of regions. In January 1994, for example, the minimum wage in West Java was increased by about 40% from last year's level; and in Jakarta by 27%. More importantly, the minimum wage across 27 provinces has grown at an average rate of 13% per year since 1985. This is well in excess of the rate of inflation for those years.

V. Other Steps

In its continued efforts to improve labor conditions in Indonesia and educate people about worker rights, the Government will conduct a nation-wide labor seminar in May 1994. The seminar will be opened by the President of Indonesia and speakers will include international labor experts from a range of countries and a Deputy Director General of the ILO. It will include topics such as the national wage system; Pancasila industrial relations; job training; labor legislation; and, self employment.

Moreover, in its next Five-Year Development Plan, beginning April 1, 1994, the Government will focus on various labor issues, including: a national labor plan; providing labor market information to workers; providing internships and programs for worker protection; and, improving the quality of the workforce.

We also have recently established a National Commission on Human Rights, comprising 25 eminent persons drawn from all sectors

of society. Members include respected scholars, legal practitioners, members of NGOs, and politicians. The mandate of the Commission is to formulate recommendations to the Government on human rights. It also has an educational and information dissemination function, and is to monitor the implementation of human rights, including worker rights. The Commission held its first plenary session and has already called for petitions from the public and non-governmental organizations on human rights violations.

CONCLUSION

Indonesia has moved rapidly in the last 25 years from a country that was faced with abject poverty, hyper-inflation, inadequate infrastructure, and the lack of opportunities to pursue the most fundamental human right as embodied in the sixth principle of the UN Declaration of Human Rights -- the right to a job. Our pursuit of sound economic policies has resulted in tremendous strides being made in improving the standard of living through economic growth, reduced inflation, and increased employment opportunities. More than 2.3 million people enter the workforce each year, and it is thus critical for Indonesia to sustain economic growth to create jobs for these people.

The Government recognizes that sustained economic growth, political stability, and good labor relations are interdependent. The steps we have taken to improve labor standards throughout the

years, and especially since the improvement in our security situation, are reflective of that.

The achievement of harmonious industrial relations will support our efforts to sustain economic growth and thus continue to create a business environment which is of mutual benefit to our workers, to our people and to business, both in Indonesia and abroad. Indonesia and the United States, for example, have a thriving trade and economic relationship. Two-way trade has been expanding and in 1992 was more than U.S. $8 billion. It should be noted that the substantial increase in our production over the last few years could not have been achieved without the huge investments made by U.S. companies. U.S. firms have investments in Indonesia worth over U.S. $25 billion, including oil and gas.

Indonesia is also seen by U.S. firms as a growth market of vital importance in sectors such as energy; iron and steel; high-technology goods and services; construction equipment and services; aerospace equipment and services; environmental technology; financial services; health care equipment and services; food products; and, architecture and engineering services. U.S. direct exports to Indonesia in 1992 supported more than 56,000 American jobs, according to U.S. Department of Commerce calculations.

For our part, the Government of Indonesia welcomes the continued and expanded involvement of American business in these

highly competitive sectors, and welcomes even more American investment. Furthermore, Indonesia expects to import tens of billions of dollars worth of goods and services in sectors of interest to the United States over the coming years. The Government is aware that U.S. firms are positioning themselves to take advantage of this projected phenomenal market growth, which is an encouraging development.

We will continue to ensure that foreign investment results in an increase in the standard of living of our work force, as well as in job creation. The Government is committed to improving the quality of human resources and workers' income.

The long-standing bilateral relationship between Indonesia and the United States is important and growing. We face together significant multilateral and regional initiatives, including Cambodia and APEC, whose Chairmanship passed from the United States to Indonesia this year. The success of APEC, as well as other trade and investment initiatives, will contribute greatly to mutual economic growth, employment opportunities, and global and regional stability. These factors in turn will create a climate for improving labor standards globally, regionally and in individual countries.

The Government wishes to re-emphasize its commitment to further improve worker rights in Indonesia. We will use the good offices of the ILO and other international organizations for

assistance in that endeavor and we will cooperate with the United States on these and other issues in an atmosphere of mutual understanding and good faith.

The most recent steps we have taken, including the institutional arrangements established to monitor and to ensure implementation of our new labor regulations, constitute significant progress in the field of worker rights.

In light of the steps taken and the continued commitment of the Government of Indonesia to improve worker rights and conditions, the Government respectfully requests that the current worker rights review of Indonesia be terminated by February 15, 1994, with Indonesia retaining its status as a GSP beneficiary country under the U.S. GSP program. Our actions and commitment are consistent with such a decision being made.

Citation
17/96 LADLYNWS N24
10/17/96 L.A. Daily News N24
1996 WL 6577440

Search Result

Rank 10 of 22

Database
USNP

Los Angeles Daily News
Copyright 1996

Thursday, October 17, 1996

NEWS

ADMINISTRATION OFFERS DEFENSE OF INDONESIAN POLICY

David E. Sanger The New York Times

Related stories: (1) Candidates focusing on California; (2) Dole takes jabs at Clinton; (3) Harsher tone is last-ditch strategy

The Clinton administration responded Wednesday to Republican allegations that it had manipulated its trade and human rights decisions in return for campaign contributions from two wealthy Indonesian families.

Officials released confidential documents to support their argument that President Clinton has been tougher on the Indonesian government, especially on workers' rights, than had his Republican predecessors.

The documents, released hours before Wednesday night's debate between Clinton and Bob Dole, the Republican candidate, include an 11-page commitment from the authoritarian government of President Suharto to cease using the Indonesian military to break up industrial disputes and to allow workers to organize into independent company unions.

In return for those commitments - which have been only partly fulfilled, and which did not halt the imprisonment of labor leaders involved in demonstrations against the Suharto government this past summer - the administration decided to renew a special trade status for Indonesia in 1994.

That decision eliminated tariffs on industrial goods - electronics, machinery and other parts - exported from Indonesia to the United States and helped ensure continued foreign capital investment in the booming Indonesian market.

But if there were benefits to Clinton's Indonesian campaign contributors - the Riady and Wiriadinata families, both linked to the Lippo Group, a major Indonesian real-estate and financial-services conglomerate - any quid pro quo was indirect at best, according to White House.

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works



Until Wednesday, the White House had not directly addressed Republican accusations that the contributions of nearly a million dollars - which the Democrats say were legal - were part of an effort by Indonesia to win favorable treatment in Washington.

But on Wednesday administration officials released detailed chronologies, offered interviews with major and minor players in the formation of policy toward Indonesia, and provided documents - which the officials had selected - to make the case that Clinton had confronted the Indonesian government on a range of issues, from human rights to a growing trade dispute over automobiles.

A major player in the relationship, John Huang, a former Lippo Group executive and former Commerce Department official who solicited the donations for the Democratic National Committee, repeatedly has declined to talk to reporters.

Commerce Secretary Mickey Kantor said Wednesday: "What's frustrating about this is that we have been very resolute, organized and focused in getting Indonesia to change many of its practices. Have we solved all the problems? Far from it. Have we backed away? That's ridiculous."

In fact, there is so far no evidence that the contributions from Lippo Group - a $5 billion conglomerate whose relations with Suharto have sometimes been rocky - and from a related Indonesian family have resulted in any policy changes.

Kantor, who as the U.S. trade representative until earlier this year was the central player in the policies Indonesia cared about most passionately, said Wednesday that he had met the Lippo chairman's son, James Riady, "two or three times, always in settings where there were 100 people or more."

Although Riady has known Clinton since 1977, an effort by Riady to set up a one-on-one meeting with Kantor at a critical moment in trade relations between the two countries was turned down in 1994, Kantor's office said Wednesday. Nor did Riady meet with Kantor's deputy at the time, Charlene Barshefsky, now the trade representative, trade officials said.

But Riady did meet lower-level American trade officials in Jakarta. One official, Joseph Damond, the director for Southeast Asia at the trade representative's office, described Riady's role today as something of a cultural intermediary, advising the American officials about how to shape their demands "so that the Indonesian government understood we weren't trying to harm their competitiveness, but we truly wanted to improve labor conditions."

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

Damond said Riady had "never advocated a particular outcome." Since 1994, Riady has met Clinton several times, most recently in what the White House has called a "social visit" in the Oval Office.

So far, the Dole campaign has not identified specific decisions that benefited Indonesia or the Riady empire, which has a reputation in Asia as one of the more Western-savvy of the enterprises run by families of Chinese descent. In recent months, in fact, Indonesian officials have complained to American reporters about pressure from Washington on the Indonesian government in a variety of areas.

Earlier this year Barshefsky identified Indonesia as the only Southeast Asian nation that has failed to clamp down on the illegal copying of software, movies and computer programs, and she put it on a "priority watch" list for potential sanctions.

The administration announced last month that it was taking the Indonesian government to the new international court for trade complaints, the World Trade Organization, because of a series of policies that favor the country's national car project - run by Suharto's son - over imported cars and projects with foreign investors.

The Riady family, however, may not have been unhappy with that ision. A business associate of the family noted that the family holds a minority interest in a competing project to build Chrysler Jeeps in Indonesia. American officials said Wednesday that they had not been lobbied in either direction on the complaint by any member of the family.

"I can't see any evidence at all that our trade policy toward Indonesia was affected by any of this fund raising," said Clyde Prestowitz, a former top official in the Reagan administration's Commerce Department and now the president of the Economic Strategy Institute, a research group in Washington.

"In fact, you could even argue it the other way. I just got back from Indonesia and what I was hearing from Indonesian businessmen was, 'Why has the United States been so hard on Indonesia? Why are you coming after us?' "

But even if there were no direct financial benefits, the Riadys' connection to the White House may have helped make the family a bit more useful to Suharto, whose relationship with Washington has long been rocky. Some administration officials acknowledge that the Riady family has helped ease the way for meetings between Clinton and Suharto.

Perhaps the most important of those occurred last October, when

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

arto arrived at the White House for what the administration described as a private visit. He was escorted into the Cabinet Room, where he was greeted by Vice President Al Gore; Secretary of State Warren Christopher; Gen. John Shalikashvili, the chairman of the Joint Chiefs of Staff; Kantor; and Ronald Brown, the commerce secretary who was killed in a plane crash in April.

"No one used to treat the Indonesians like this," one senior official said at the time, "and it said a lot about how our priorities in the world have changed."

The most important of the documents the administration released Wednesday was a plan, delivered to Kantor by Indonesia's ambassador to Washington in January 1994, specifying how worker rights in Indonesia would be improved.

The most important of those changes was permission for workers to form company unions that could negotiate collective labor agreements, and a government agreement to issue regulations that "eliminates the role of the security authorities in cases of industrial dispute."

There are differing assessments of how well the Indonesians have complied with those obligations. The administration notes that there now more than 1,000 factory-based unions, and that they no longer have to funnel union dues through the government in Jakarta.

Military intervention in labor disputes is down, though some activists attribute that development to intimidation of unions through other means.

"The Clinton people did get agreements on paper, and that was important," said Sidney Jones, the executive director of Human Rights Watch/Asia. "And this administration has been marginally better on these issues than past administrations."

---- INDEX REFERENCES ----

KEY WORDS: CLINTON; ETHICS; INDONESIA; INDONESIAN; HUMAN RIGHTS; POLICY FOREIGN TRADE; FUNDRAISING; CAMPAIGN; ISSUE; US; PRESIDENT; RIADY FAMILY WIRIADINATA; LIPPO GROUP; JOHN HUANG; POLITICS

STORY ORIGIN: WASHINGTON

EDITION: VALLEY

Word Count: 1276
'17/96 LADLYNWS N24
J OF DOCUMENT

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

[The deposition of John R. Phillips follows:]

EXECUTIVE SESSION

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEPOSITION OF: JOHN R. PHILLIPS

THURSDAY, JULY 31, 1997

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 10:10 a.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Barbara Comstock, Chief Investigative Counsel; Bob Dold, Investigative Counsel; Matthew H. Joseph, Minority Counsel; Kenneth Ballen, Minority Chief Investigative Counsel; and Michael J. Raphael, Minority Counsel.

For MR. PHILLIPS:

RANDALL E. DAVIS, ESQ.
Stuntz & Davis
1201 Pennsylvania Avenue, N.W.
Suite 819
Washington, D.C. 20044-0798

Ms. COMSTOCK. Good morning. We can go on the record here.

Thank you, Mr. Phillips for coming in this morning. On behalf of the members of the Committee on Government Reform and Oversight, I appreciate and thank you for appearing here today.

This proceeding is known as a deposition. The person transcribing this proceeding is a House reporter and notary public. I will now request that the reporter place you under oath.

THEREUPON, JOHN R. PHILLIPS, a witness, was called for examination by Counsel, and after having been first duly sworn, was examined and testified as follows:

Ms. COMSTOCK. I would like to note for the record those who are present at the beginning of this deposition. My name is Barbara Comstock. I am the designated Majority counsel this morning for the committee. I am accompanied today by Bob Dold, D-O-L-D, who is also with the Majority staff.

Matthew Joseph is the designated Minority counsel this morning; is that correct?

Mr. JOSEPH. Yes, that's correct.

Ms. COMSTOCK. And he is accompanied by Ken Ballen, Mr. Barnett and Mr. Raphael, who are also with the Minority staff.

The deponent is here this morning with his attorney, Mr. Randy Davis.

Although this proceeding is being held in a somewhat informal atmosphere, as you have been placed under oath, your testimony here today has the same force and effect as if you were testifying before the committee or in a courtroom. If I ask you questions about conversations you have had in the past and you are unable to recall the exact words in the conversation, you may state that you are unable to recall those exact words and then you may give me the gist or the substance of any such conversation to the best of your recollection.

If you recall only part of a conversation or only part of an event, please give me your best recollection of those events or parts of the conversations that you do recall.

If I ask you whether you have any information upon a particular subject and you have overheard other persons conversing with each other regarding it or have seen correspondence or documentation regarding it, please tell me that you do have such information and indicate the source, either a conversation or documentation or otherwise, from which you derive such knowledge.

Before we begin the questioning, I would like to give you some background about the investigation and your appearance here today.

Pursuant to its authority under House Rules X and XI of the House of Representatives, the committee is engaged in a review of possible political fund-raising improprieties and possible violations of law and related matters within the committee's jurisdiction. Pages 2 through 4 of House Report 105–139 summarizes the investigation as of June 19th, 1997, and encompasses any new matters which arise directly

or indirectly in the course of the investigation. Also, pages 4 through 11 of the report explain the background of the investigation.

All questions related either directly or indirectly to those issues, questions which may have the tendency to make the existence of any pertinent fact more or less probable than it would be without the evidence, are proper.

The committee has been granted specific authorization to conduct this deposition pursuant to House Resolution 167, which passed the full House on June 20th, 1997.

Committee Rule 20, of which you received a copy, outlines the ground rules for the deposition. Majority and Minority counsels will ask you questions regarding the subject matter of the investigation. Minority counsel will ask questions after Majority counsel has completed its initial round of questioning. After the Minority counsel has completed questioning, a new round of questioning may begin.

Members of Congress who wish to ask questions will be afforded an immediate opportunity to ask their questions at any time when they may be present. When they are finished, committee counsel will then resume questioning.

Pursuant to the committee's rules, you are allowed to have an attorney present to advise you of your rights. Any objection raised during the course of the deposition shall be stated for the record.

If the witness is instructed not to answer a question by his attorney or otherwise refuses to answer a question, Majority and Minority counsel will confer to determine whether the objection is proper. If Majority and Minority counsel agree that a question is proper, the witness will be asked to answer the question. If an objection by the witness' attorney is not withdrawn, the Chairman or a member designated by the Chairman may decide whether the objection is proper.

This deposition is considered as taken in Executive Session of the committee, which means it may not be made public without the consent of the committee pursuant to clause 2(k)(7) of House Rule XI. You are asked to abide by the Rules of the House and not discuss with anyone other than your attorney this deposition and the issues and questions raised during this proceeding.

Finally, no later than 5 days after your testimony is transcribed and you have been notified that your transcript is available, you may submit suggested changes to the Chairman. The transcript will be made available for your review at the committee office. Committee staff may make any typographical and technical changes requested by you.

Substantive changes, modifications, clarifications or amendments to the deposition transcript submitted by you must be accompanied by a letter requesting the changes and a statement of your reasons for each proposed change. A letter requesting any substantive changes, modifications, clarifications or amendments must be signed by you. Any substantive changes, modifications, clarifications or amendments shall be included as an appendix to the transcript conditioned upon your signing of the transcript.

We can make arrangements to go beyond that 5-day period if your schedule—you need additional time. The Minority has consented in doing that when the witness asks us for additional time; or if you need to have the deposition mailed to you, we can mail it, but we need to have it signed and agreement that it will not be copied or disclosed to anyone, because this is Executive Session material. But by agreement with the Minority counsel, they have agreed that with a signed agreement, we can do it in that manner if the witness needs.

Do you understand everything we have gone over so far?

The WITNESS. Yes.

Ms. COMSTOCK. Do you have any questions about anything we have gone over so far?

The WITNESS. No.

Ms. COMSTOCK. I just wanted to go through a few ground rules before we begin.

If you don't understand a question that I ask, I would ask that you please let me know and I will repeat it or rephrase it so that you do understand the question. The reporter will be taking down everything we say and will make a written record of a deposition. You must give verbal, audible answers because the reporter cannot record what a nod of the head or other gesture means.

Do you understand that?

The WITNESS. Yes.

Ms. COMSTOCK. If you can't hear me, please say so and I will repeat the question or have the reporter read the question to you.

If you don't know the answer to a question, simply say that you do not know. We are not asking for mere speculation or guess. We are asking for your best recollection of the events.

Do you understand that?

The WITNESS. Yes.

Ms. COMSTOCK. Okay. Please wait until I finish each question before answering, and I will wait until you finish your answer before I ask the next question.

Your testimony is being taken under oath as if we were in court, and do you understand that if you answer a question, it will be assumed that you understood the question and the answer was intended to be responsive to it?

The WITNESS. Yes.

Ms. COMSTOCK. Are you here voluntarily today or as a result of a subpoena?

The WITNESS. Voluntarily.

Ms. COMSTOCK. Do you have any questions before the deposition begins?

The WITNESS. I do not.

EXAMINATION BY MS. COMSTOCK

Question. Could you please state your name for the record and your current address?

Answer. John R. Phillips, [redacted].

Question. Thank you.

Can you give your work history from college forward?

Answer. Well, I went to law school at—graduated in 1969, University of California at Berkeley. My first employer was the law firm of O'Melveny & Myers in Los Angeles from 1969 to 1971.

1971 to 1988, I worked for—I was the director of—co-director of the Center for Law in the Public Interest in Los Angeles.

In 1988, I formed a private law firm named Hall & Phillips. Until 1993, the name of that firm—or we dissolved that firm and began a new firm, named Phillips, Cohen & Goldstein, in Washington, D.C. The name of that firm changed in June, 1994, I believe, to Phillips & Cohen in Washington, D.C., which is where I currently operate out of.

Question. How long have you been in Washington, D.C.?

Answer. Since January 1, 1993.

Question. Have you spoken with anyone, other than your counsel, about this deposition today?

Answer. Well, yes. I mean, the fact that my deposition was being taken, I probably mentioned it to a number of people.

Question. Okay. And with whom have you spoken?

Answer. Just the fact that my deposition was being taken? Just the fact that my deposition is being taken?

Question. Well, anything about the substance of the deposition, actually; contact about any of the testimony that you may be giving.

Answer. I spoke briefly with Michael Cardozo.

Question. What did you speak with him about?

Answer. Not about the substance of the deposition, but just the conclusion of his deposition, we had a discussion; and I think he suggested that if I wanted to have my attorney call his attorney that that would be okay.

Question. Is this in regards to Mr. Cardozo's deposition before this committee?

Answer. No. It was just the fact that he had his deposition—after his deposition was concluded.

Question. And he indicated to you that your attorney could call his attorney?

Answer. That's correct.

Question. About his deposition before this committee?

Answer. No, just about any information that might be useful to him.

Question. All right. Did he discuss with you any of the subject matters that came up in the deposition?

Answer. Not really, no.

Question. When you say "not really," I mean——

Answer. We didn't discuss—I don't recall questions asked of him.

Question. Did you discuss with him any of the events that you may have mutual knowledge about?

Answer. No.

Question. Mr. Hubbell?

Answer. No.

Question. Did you discuss any of the general topics about some of the investigation matters that are being looked into?

Answer. To the best of my recollection, we didn't discuss anything of substance, just that if my attorney wished to call his attorney, he would be willing to talk to him.

Question. And when did this conversation occur?

Answer. Oh, within the last 10 days or 2 weeks.

Question. Is there anybody else that you have discussed this with?

Answer. The substance of the deposition, of what I would be saying?

Question. Or just generally.

Answer. Well, I probably mentioned to many people that I was going to be deposed by this committee, when the subject might have come up. It will take me some time to go through all the names of conversations that I might have had with people.

Question. Have you discussed it with anybody at the White House, who is currently employed at the White House?

Answer. No.

Question. Have you discussed it with any former employees at the White House?

Answer. No.

Question. Other than Mr. Cardozo, do you know any other people that you may have generally discussed some of the matters with——

Mr. JOSEPH. What time frame are you talking about?

Ms. COMSTOCK.—about this deposition?

Mr. DAVIS. Could we identify these people?

Ms. COMSTOCK. We have two Majority staff members who are also present here.

The WITNESS. If your question is, did I have discussions with anybody about questions that are likely to come up about the substance of the deposition, other than my counsel, I don't think I had such discussions.

EXAMINATION BY MS. COMSTOCK:

Question. Have you reviewed any documents in preparation for this deposition?

Answer. I have been over the documents that were turned over to the committee this morning.

Question. Okay. I wanted to ask you about a number of people at the White House, starting with the President and the First Lady; and if you have knowledge of them, just tell me what your relationship with them is.

Do you know the President? Have you met him?

Answer. I don't think he would recognize me or know who I was. I have met him over the years several times, but I have never engaged him in any conversation except for a few sentences or to be in a receiving line.

Question. Mrs. Clinton?

Answer. The same.

Question. And Webster Hubbell?

Answer. I know Webster Hubbell.

Question. When did you first meet Mr. Hubbell?

Answer. I got to know Mr. Hubbell when he—when we moved here to Washington, and he came shortly after or about the same time. That would be around January, 1993.

Question. And how did you meet him?

Answer. I don't remember the exact occasion that I met him in Washington, but it was probably through Mickey Kantor, who was a close and old friend of mine. He and Mr. Hubbell had known each other for many years.

Question. Did you meet him at Mr. Kantor's house or a social engagement?

Answer. A social engagement, right.

Question. Is your wife also friends with Mr. Hubbell?

Answer. Yes.

Question. And your wife is—could we have her name for the record?

Answer. Linda Douglas.

Question. Are you both also friends of Mrs. Hubbell?

Answer. Yes.

Question. How long have you known Mrs. Hubbell?

Answer. Since—she arrived in Washington with her family, I recall, somewhere around March or April, 1993.

Question. Did either you or your wife know Mr. or Mrs. Hubbell before January of 1993?

Answer. I may have met him, but I never really talked to him, briefly in Little Rock. My daughter was visiting the Kantors—their daughter and our daughter are good friends. I stopped in to pick her up somewhere around August of 1992, and—I think there was a party, I was staying at the Kantors' home, and think Mr. and Mrs. Hubbell were among the various people that stopped by that evening.

Question. How long have you known Mr. Kantor?

Answer. Oh, about 25 years.

Question. And how did you first come to know him?

Answer. I first got to know him when I called him back in Washington when he was working for the Office of Legal Services. I was trying to arrange funding for a new organization that I was setting up, the Center for Law in the Public Interest.

I later met him face-to-face when he moved to California, I believe around 1973 or '74. And thereafter, we were pretty good—we became social friends and have been friends throughout the years.

Question. Have you had any business relationship with Mr. Kantor?

Answer. No.

Question. How long have you known—or do you know Mack McLarty?

Answer. I have met him a few times. I don't know him. I don't think he would recognize me or know who I was.

Question. Erskine Bowles?

Answer. I think I have met him once or twice, but I don't think I have ever talked to him. Nor do I think he would recognize me or know who I was.

Question. John Emerson?

Answer. I know John Emerson very well. I have known him for probably 15 years from California.

Question. And how do you know Mr. Emerson?

Answer. Well, I knew him more socially. He was a young attorney in California working at the Manatt Phelps firm. I don't recall exactly where, the occasion that I met him, but I would see him from time to time, get together occasionally, socially, in California.

And when he came here, being one of the few Californians who came here, I saw him much more.

Question. Did you know Mr. Emerson from the campaign in 1992 or from any work done on the 1992 campaign?

Answer. I knew he worked on the campaign, but I knew him long before that.

Question. Did you work or assist in the 1992 campaign in any way?

Answer. I did not.

Question. Do you know Maggie Williams?

Answer. I do not.

Question. Do you know Bruce Lindsey?

Answer. I have met Bruce Lindsey. I don't know him well. I have met him on several occasions, maybe three or four times.

Question. All right. Do you know Marsha Scott?

Answer. I know Marsha Scott.

Question. How long have you known her for?

Answer. I met her here, when she came here, socially, maybe met her—talked to her 5 or 6 times over the—maybe more than that, 5 or 10 times over the course of the last 4 years.

Question. Do you know Mary Leslie?

Answer. I have met Mary Leslie several times. I don't know her well.

Question. Or Kim Wardlaw?

Answer. I have met Kim Wardlaw. I knew her husband slightly in Los Angeles. I have met Kim Wardlaw a couple of times over the years.

Question. Do you know Mark Middleton?

Answer. No.

Question. Or William Kennedy?

Answer. I have met, several times, Bill Kennedy when he was here in Washington, but don't know him well.

Question. Harold Ickes?

Answer. I have met Harold Ickes several times, as well, but don't know him well at all.

Question. And Frank Hunger?

Answer. Yes, I met Frank Hunger—I have talked to him on several occasions.

Question. Nancy McFadden?

Answer. Yes, I have met Nancy McFadden.

Question. How do you know her?

Answer. I met her—I think I met Nancy—I am not sure—when I went to Little Rock. She was working on the campaign when I was staying at the Kantors, and I saw her several times when she was here in Washington.

Question. Did you meet her when she was working for Mr. Hubbell at the Justice Department also?

Answer. No, I met her before that.

Question. Did you interact with her at all when he was at the Justice Department?

Answer. I may have occasionally had some discussions with her in the Justice Department—Frank Hunger, as well. I mean, he was the head of the Civil Division.

I have seen him a couple of times socially, but I have seen him also in his capacity as head of the Civil Division.

Question. You mean in the course of your work?

Answer. Yes.

Question. You would run into both of them?

Answer. Yes. Mr. Hunger more, since he is directly in the Civil Division.

Question. Okay. Do you know Truman Arnold?

Answer. I do not.

Question. Or Vernon Jordan?

Answer. I have met him a few times, but never really had any conversations with him. I don't think he would recognize me.

Question. Okay. Is it—I guess you are friends with Mr. Cardozo?

Answer. Yes.

Question. When did you first meet Mr. Cardozo?

Answer. Sometime over the last 4 years. We have gotten together socially 3 or 4 times.

Question. Okay. And how did you meet him through Mr. Hubbell?

Answer. I think I may have, yes.

Question. Were you——

Answer. I may have met him at Mr. Hubbell's house. I can't recall the exact circumstance. He was a friend of Webb's.

Question. Do you know Michael Berman?

Answer. Yes.

Question. How did you meet him?

Answer. A lot of mutual friends here in town. I think I met him first in Little Rock the weekend I was there, when he was working on the campaign, and I would see him socially here occasionally, he and his wife.

Question. Okay. Going back to in 1993, how often did you see or speak with Mr. Hubbell?

Answer. When he first arrived here sometime in January, he was here alone without his family. Mickey Kantor was here also; his family came later to Washington. So occasionally, every couple of weeks or so, Mickey and Webb would come by for dinner together; we used to have a dinner for friends who were here without their spouses. That was through January-February.

And when Webb's family arrived, I think in March or April—it could have been later—his wife Suzy and his children, we met them very early on when they came. We became pretty good friends during their stay here in Washington. Our families were quite good friends, and over the years, I would say we spent a lot of time together.

Question. Okay. Would you see each other once a week?

Answer. What time frame are you talking about?

Question. After the families arrived, say in March of 1993, throughout 1993-1994?

Answer. I would say, the beginning of summer we would see them probably every couple of weeks.

Mr. JOSEPH. That's summer of 1994?

The WITNESS. 1993.

Mr. JOSEPH. 1993?

The WITNESS. 1993. And I am sure they considered us among their closer friends here in Washington. We would see them pretty regularly. Our children are friends, too.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. In 1993—your wife is a reporter; is that correct?

Answer. That's correct.

Question. And in 1993, was she covering the Justice Department?

Answer. No.

Mr. DAVIS. Can I lodge an objection here on pertinency grounds. Can you give me some idea of where you are heading? I mean, John is the one that is being deposed. What relevance does his wife's occupation have with the investigation?

Ms. COMSTOCK. We had a number of phone messages from Mrs.—from Linda Douglas to Webster Hubbell in the 1993-1994 time period. I was trying to determine if she was interacting with him socially or professionally, if she covered the Justice Department, and any knowledge you may have about what that involved, her work or personal matters.

The WITNESS. Well, she covered——

Mr. DAVIS. Well, I think I am going to have to insist on the objection on pertinency grounds.

Ms. COMSTOCK. Well, we are looking into matters relating to Mr. Hubbell, and we have records indicating that your wife had a lot of contact with Mr. Hubbell, as well.

Talking with you today, to the extent that it is possible to determine your knowledge of your wife's interaction with him, we may or may not need to talk with her about her knowledge. So I am just trying to establish here what the nature of that relationship was, to determine her knowledge about these activities that we are discussing.

Mr. JOSEPH. Let me just jump in here for the Minority. Again, I mean, you haven't really justified the pertinency of questions relating to her profession and what she was doing professionally.

You know, you have already asked about the contact of Mr. Phillips' wife with Mr. Hubbell, and anything about her professional relationship, you just haven't justified yet. So we also want to object on the grounds of pertinency and relevancy.

Ms. COMSTOCK. Well, the question still stands.

Mr. DAVIS. Can I confer?

Ms. COMSTOCK. Sure.

[Counsel confers with client.]

Mr. JOSEPH. Can I just say one other thing before Mr. Davis speaks. I just want to make sure that you have consulted also with regard to the issue of privilege in terms of any information that he would get through his wife.

Mr. DAVIS. Spousal privilege, sure.

Can I ask a clarification of where you intend to go with the questions? I mean, I guess I am prepared to withdraw the objection at this point but not if it is going to lead us into waiving whatever spousal privileges we have and any other privileges I might have later to object to something that's—that's on pertinency grounds. So I guess I would like to have some idea of how much further down the road we are going to get in terms of questions regarding Linda Douglas.

Ms. COMSTOCK. I am asking the witness about his knowledge of Mr. Hubbell and Mr. Hubbell's activities from any source from which he has that knowledge. That would include individuals such as Mickey Kantor, Mr. Cardozo, his wife or others. I mean, if there is an objection, obviously you all can decide that, but I am asking for his knowledge from all sources about Mr. Hubbell's activities.

Mr. JOSEPH. That's not the pending question. The pending question relates to what she was doing professionally. It has already been established that they were social friends. You are asking questions that are not along the lines that you just indicated.

Ms. COMSTOCK. I think the—you have withdrawn the objection; is that right?

Mr. DAVIS. As I said, I am prepared to withdraw the objection if I have some sort of idea how many more questions we are going to have relating to Linda Douglas.

Ms. COMSTOCK. I guess it is going to depend on your knowledge of Mr. Hubbell from your wife as opposed to your own personal knowledge.

Mr. DAVIS. I will withdraw the objection, but clearly we are uncomfortable in this area of—that involves spousal privilege and the question of pertinency. But I withdraw my objection.

EXAMINATION BY MS. COMSTOCK:

Question. I believe the pending question was, your knowledge of Linda Douglas' interaction with Mr. Hubbell during the 1993-1994 time period.

Answer. I have testified previously our families were friends.

Question. And do you have any knowledge as to whether she was also contacting him professionally in her capacity as a reporter?

Answer. I really couldn't address that. I don't know what the substance of those conversations were.

Question. All right. Did there come a time when you learned that Mr. Hubbell had problems with his law firm about his billings?

Answer. Yes, I did.

Question. And do you recall generally when that was?

Answer. Well, it was some time ago. Having passed 50, my memory isn't as good as it used to be, so I will try to remember the time frame. I think it was somewhere around the time that—close to the time that Webb resigned from the Department of Justice.

I was shocked by his resignation, and I had conversations with him about that resignation; and he explained to me, as I think he explained to others, that he really had a dispute with his former law firm related to expenses on a case that he had representing his father-in-law and that he decided to—he decided to resign to go back and get this clarified; and he wasn't going to be—allow himself to become a

lightning rod for criticism or distraction for the President or the Department of Justice and that he was going to take care of this now and go back to take care of whatever problems there were.

Question. Do you recall if you had that conversation before or after he resigned?

Answer. Well, I didn't recall precisely. It might have been right around there. If I had a discussion with him before about problems he may have had with his firm, it was nothing that registered to the point where I would have ever expected him to resign, because I was truly surprised when I learned of his resignation.

Question. And how did you learn of his resignation?

Answer. I think it was—I think it was either announced or I may have learned the—just very shortly before or when he announced—I can't remember exactly. I didn't talk to Webb directly until, I think, after he resigned.

Question. Okay. In this conversation that you have just described, you don't recall if that was before or after, but can you place it in time somewhere?

Answer. It was right close to when he resigned. As I say, I was shocked when I found out about the fact of his resignation, based on all that I knew.

Question. Had you read any of the newspaper accounts of what claims his law firm had made about him?

Answer. You know, I must have read those at the time, because I would have been interested and I had, I am sure, some conversations with Webb about them. But he tended to dismiss them as just problems that developed among partners in a law firm, which I am familiar with as with any other law firms with a dispute of a contingency case that has been successful and you look around to see who is going to pay the expenses and costs, and recollections are different as to who had what obligations. That's how he described it to me.

Question. Did you have any discussions with Mr. Kantor about Mr. Hubbell's resignation?

Mr. JOSEPH. What time frame are we talking about?

Ms. COMSTOCK. I am talking about when he resigned.

The WITNESS. I am sure I did. I don't recall what they were, other than I can't believe Webb resigned or something like that.

EXAMINATION BY MS. COMSTOCK:

Question. Did Mr. Kantor tell you about any conversations he had with Mr. Hubbell?

Answer. No. I don't recall him giving me any, you know, more information about the substance and circumstances surrounding the resignation.

Question. Did Mr. Kantor ever tell you about any conversations that he had with the President about Mr. Hubbell?

Answer. Well, around that time frame, no, I don't recall any such conversations.

Question. Or at any time?

Answer. He may have later said that he talked to him—it must have been sometime later—to the President to say that Webb—something to the effect that Webb had assured him that there really isn't any problem, that he will be able to take care of whatever problems there were and that it wasn't anything to worry about.

Question. That Mr. Hubbell had indicated to the President that there were no problems, that he was going to be able to work them out, that was the gist of the conversation?

Answer. Yes, or that Mickey had talked to the President, something to that effect. That would have been sometime afterwards that I think I learned of that conversation, and I can't remember exactly how it came up, if Mickey mentioned it to me. But I understood there was such a conversation.

Question. Did Mr. Kantor indicate to you whether he had talked to the First Lady about Mr. Hubbell's legal situation?

Answer. What time frame?

Question. At any time.

Answer. You know, he may have. I can't recall. I don't think he would share—Mickey would share with me conversations that he would have with the President and the First Lady. That's not how he operates.

Question. Did Mr. Hubbell ever tell you anything about any particular partners at the Rose Firm, or any problems he was having trying to resolve matters with the Rose Law Firm in the 1994 time frame?

Answer. I recall, after his resigning, trying to work out whatever disputes there were with his partners. And at some point, he told me he was proposing an arbitration, binding arbitration, where they would have all the facts presented to an arbitrator and they would—the arbitrator would determine what he owed, if anything, to the firm; and that the firm refused such request.

Question. Were you aware of him making settlement offers in the months after he resigned from the Justice Department, making settlement offers to the Rose Law Firm?

Answer. I know he was in discussions with them about trying to resolve this, and I recall the arbitration proposal specifically. As to whether there were specific offers of dollar amounts at the time, I am not aware that he would have told me those. I only had a general sense, as I described, of what his problems were.

Question. Did you ever discuss—aside from discussions with Mr. Kantor, was there anyone else you ever discussed Mr. Hubbell's legal situation with, or the matters related to his resignation?

Answer. Well, I don't—Webb was a good friend and we had lots of friends in common. I doubtless had many conversations with people about the difficulties that Webb was having.

Question. Did you have any conversations with Mr. Cardozo?

Answer. Not that I can recall, no. I may have, but I can't recall any conversations at the time.

Question. Were you aware, after Mr. Hubbell left the Justice Department, of him setting up offices in Mr. Cardozo's shop?

Answer. Yes, I was, yes.

Question. And how did you know that?

Answer. Well, I knew where Webb was when he left, and he was looking for an office space that was right down the street from where I was. I stopped by there once or twice to see Webb when he was there.

Question. And what was your understanding of what he was doing there?

Answer. Oh, I think Michael Cardozo just basically gave him an office to operate out of. I saw him answering the phone. And Webb was trying to figure out what he was going to do with his professional life.

Question. Were you aware of any discussions about helping to find Mr. Hubbell some work or consulting arrangements in the months after he resigned from the Justice Department?

Answer. To the best of my knowledge, no, I wasn't involved with any.

Question. Did Mr. Kantor ever talk to you about Mr. Hubbell needing work or how he would get work?

Answer. Not in any specific way. I think we probably had discussions, since we were friends, about what Webb is going to do from this point forward. I don't recall specific conversations of trying to find work for Webb.

Question. Were you aware of Mr. Kantor ever approaching his law firm about hiring Mr. Hubbell?

Answer. No.

Question. Were you aware of Mr. Kantor approaching any law firms about hiring Mr. Hubbell?

Answer. No.

Question. All right. Did Mr. Hubbell ever speak with you about working at your firm, with your firm?

Answer. No, no. I mean, it was a very small firm. It's not the kind of—it is a very specialized kind of practice. I never considered Mr. Hubbell as working with my firm.

Question. Or did Mr. Kantor ever ask you about, if you had any work for Mr. Hubbell?

Answer. No.

Let me correct that. I considered, but decided there wasn't, in my firm.

Question. Your firm?

Answer. I considered, but I decided that there really wasn't any work.

Question. Did you ever have any discussions with Mr. Hubbell about that?

Answer. He never asked me about it, and I—you know, it was never discussed as a serious possibility.

Question. Were you aware of anybody ever indicating that law firms were reluctant to hire Mr. Hubbell?

Answer. I know that—I know Webb was interviewing to join some law firms——

Question. Do you know what firms?

Answer. At the time. And I know that he talked to Latham & Watkins about joining their firm.

Question. And how did you learn of that?

Answer. I think he must have probably told me. And I know some—you know, that's a firm I deal with. In fact, I recall—it was to join the firm. It wasn't to get work with the firm. I recall talking to a partner there about, you know, Webb, close around that time, that Webb was a capable guy.

Question. And did this partner call you or did you call the partner?

Answer. It was a guy I have been dealing with in some litigation, so I think I—I am sure I called him about Webb.

Question. And who was that?

Answer. His name is Tom Patton.

Question. And what did you discuss with Mr. Patton?

Answer. All I said was, I knew that Webb had talked with them about employment possibilities in the Washington office and that I knew Webb, that I had worked with Tom; and I, at that time, thought Webb was a very intelligent person with good judgment and that he might be a good—I mean, if they are considering him, I thought that he was a pretty capable guy.

Question. Did Mr. Patton indicate whether there was any reluctance, given the reports about Mr. Hubbell's legal problems, to hire him?

Answer. I don't think he said—no, I don't think he said to me anything like that, no.

Question. Did you ever hear anything like that about Latham & Watkins or any other firm?

Answer. This—I am not sure exactly what the time frame was, but probably several months after he resigned, I—as the clouds started gathering over Webb's—Webb, I am sure that law firms would have reservations.

Mr. JOSEPH. Are you speaking from your personal knowledge or are you just speculating on that?

The WITNESS. I am speculating. I am speculating.

Mr. JOSEPH. Because I don't think any of us here want you to speculate on questions.

The WITNESS. Right. I am speculating.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall any conversations that you had with people about recalling that firms were reluctant to hire Mr. Hubbell?

Answer. No. It was probably just me speculating that Webb's possibilities of getting hired by—or getting hired by a law firm were not very good in light of the unfavorable developments.

Question. Okay. Did there come a time when—well, let me back up first. You are affiliated with a group called the Consumer Support and Education Fund; is that correct?

Answer. That's correct.

Question. Could you tell us what that is?

Answer. Oh, it's a small 501(c)(4) fund that was set up in California as a result of settlement of a case that I handled. At the end of the case—it was a consumer case against Toyota Motors, I believe, in which we were able to get relief for many—everybody who owned a certain style of Toyota automobile that needed some repair work of a substantial nature. And as part of the settlement, instead of paying us more in attorneys' fees, they just paid our statutory attorneys' fees, and I proposed as part of the settlement that they put some monies available into a foundation to do good—to do good work to educate the public on various issues, consumer issues, and they agreed to that; and that led to the formation of this Consumer Support and Education Fund.

Question. And when was that established?

Answer. I believe it was 1988-89, that time frame.

Question. Okay. How much money was placed in the fund at that time?

Answer. I believe it was about $750,000 or $800,000.

Question. And the purpose of the foundation was to educate on consumer issues; is that right?

Answer. It was pretty general. It had a very general clause in it that gave broad latitude to the board, but its principal focus was consumer issues.

But it really wasn't limited to that. It had fellowships; it could work for education programs of various sorts.

Question. Okay. From its inception in 1988 to 1989, how many fellowships were involved in that, if you know?

Mr. JOSEPH. What you are asking for is over a certain period of time?

Ms. COMSTOCK. From 1988 to the present.

The WITNESS. Well, this was the first one—the discussions might be the beginning of an annual grant or something like this, but given the disastrous first grant to Mr. Hubbell, the fund has not renewed that type of grant.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. So there have been no fellowships aside from Mr. Hubbell's?

Answer. That's correct.

Question. Okay. From 1988, then, to 1994, what type of disbursements of funds—generally what was the fund doing?

Answer. I would have to—I really don't know the details. My best recollection is it was to support litigation that had consumer connections.

It did a lot of work for the implementation of the insurance reform measure that was adopted in California, supporting consumers appearing before the Insurance Commissioner. It supported some, I think, political activities: a campaign finance reform initiative on the California ballot, it made a small grant to, if I recall. More recently, it supported legal services groups to help educate people about consumer issues and other issues.

Question. Generally, were you disbursing funds, then, to groups?

Answer. Groups.

Question. Organizations?

Answer. Individuals. There was one—I mean, on Proposition 103, intervenor funding, the insurance initiative, there was a grant, I believe, also to an individual.

Mr. JOSEPH. Mr. Phillips, we have to have the ability to object to certain questions, and I am afraid that you are not being responsive enough to the questions.

Ms. COMSTOCK. Mr. Phillips has an attorney present here to object to any questions.

Mr. JOSEPH. We have a right to object also, and I can't object if the answers are not going to be responsive to the questions.

The WITNESS. What was the question again? I will try to keep my answer——

Ms. COMSTOCK. Could we read back the question? I think the answer was responsive, and the client is represented here by counsel, who is certainly fully capable of objecting.

Mr. DAVIS. Could we have the question read back?

Ms. COMSTOCK. Yes. If we could go back to the question.

[The reporter read back as requested.]

The WITNESS. Generally, yes.

EXAMINATION BY MS. COMSTOCK:

Question. We were discussing the way the funds were disbursed.

Answer. I did think I said in the last answer, I think there was one grant to an individual who was a head of the group enforcing the insurance initiative measure, to support his efforts.

Question. Was there a board for this education fund?

Answer. Yes, there was a board.

Question. All right. How many people were on that board?

Answer. Were on it, or are on it, at the time?

Question. Why don't we pick up when it started and then move to 1994.

Answer. I believe there were five members initially on the board. I really can't trace the history through. I was not on the board. I was more of an informal advisor and informal counsel to the board, unpaid. I think there was five initially.

Question. Okay. What was the process by which grants would be made to organizations or groups?

Answer. Well, based on the collective knowledge of the board, they would, given the smallness of the fund, try to target their grants to those issues that they thought were worthy of support.

Question. Okay. And do you know how the board would learn of these organizations or groups?

Answer. I think they knew of the groups since they were people in the community, in the area, in Los Angeles, California.

Question. Was there a form or an application that one needed to make if they were to get a grant from the fund?

Answer. Yes. I think usually there was a—maybe a request from the fund, typically, that would be interested in supporting some activity, and there would be some proposal and a budget of some sort prepared and reviewed. The fund did not really want unsolicited proposals, it being small, and it didn't have a staff, and it would decide among its board members as to who they thought was worthy to give grants to.

Question. Did you usually get written proposals or requests?

Answer. There was always something in writing that would support what the grant was for.

Mr. JOSEPH. I am going to have to object to these questions, because Ms. Comstock hasn't established Mr. Phillips' foundation for knowing this information. I am

unable to tell whether he is speculating or operating based on personal knowledge through his relationship with this organization.

It would be helpful, when you ask him the questions, to ask him to clarify whether he is, in fact, knowledgeable enough to answer the questions that are being asked of him.

Ms. COMSTOCK. Okay. Mr. Joseph, you will have an opportunity to clarify the matters that you are not knowledgeable on at that time. Again, the witness is trying to answer the questions. I don't think we need to lengthen this deposition unnecessarily on the matters that you do not have knowledge on.

Mr. JOSEPH. I think it is—it is going to unnecessarily lengthen this deposition to ask him questions for which you haven't established a foundation of his knowledge.

Ms. COMSTOCK. I believe we discussed that Mr. Phillips established the foundation at the beginning.

EXAMINATION BY MS. COMSTOCK:

Question. Is that correct, Mr. Phillips?

Answer. Yes. I played a major—I played an important role in setting it up, yes.

Question. Okay. I believe that answers the question.

Do you know approximately how many grants per year the foundation would give?

Answer. I would be speculating. Not——

Mr. DAVIS. Don't speculate.

The WITNESS. Not many. It would—I have identified a few that it gave sizable grants to, the implementation of which I know about.

Mr. JOSEPH. I have to continue to object if you are not responsive to the question.

Ms. COMSTOCK. If we could go off the record for a minute.

[Discussion off the record.]

EXAMINATION BY MS. COMSTOCK:

Question. To your knowledge, how many grants were provided per year?

Answer. Well, I would be speculating. I would be guessing as to how many. I mean, not many.

Let me explain. I will be as helpful as I can to the committee to explain this fund and how it was operated.

It was a small fund. I set it up, as I explained, as a result of a settlement of this case. I really considered it more attorneys' fees that we could have kept personally that I essentially gave up to set up a fund to do good works.

I selected initially, as you have to to set up a nonprofit organization, initial board members. I asked people to serve on the board. It would take a fairly limited amount of effort. These were people who were prominent in their fields. They would consider various proposals.

I would recommend to them from time to time projects I thought were worthy undertakings for the fund. I think they would listen to me carefully, give me considerable deference in the proposals that I would make, but ultimately they would review an application submitted and decide whether to support the grant or not, because it is not a large fund; there aren't many grants.

They tried, when they could, to support activities that had a chance of being self-sustaining, where they would both do good work, accomplish the objective and have a potential of returning some of the funds back to the Consumer Support and Education Fund. They were able to do that on support of some litigation, some intervenor funding, where they were successful in getting a favorable result, and then funds would be repaid.

But there were maybe—up until this time, maybe a total of 10 different grants or so that they may—I am guessing about that many. That's how it operated.

Question. Okay. Are there any kinds of public filings regarding this fund?

Answer. Oh, yes, there are public filings that are required of the State of California with the Attorney General's office, the IRS. They are publicly available.

Question. Would those reports indicate all of the grants that were made and how much money was given to each grant?

Answer. I believe they would. The accountants would do that.

Question. To your knowledge?

Answer. They would do that. I wouldn't do that. I know they complied with all the filing requirements, and they are publicly available.

Question. Okay. Did there come a time where you recommended a fellowship for Mr. Hubbell in connection with the Consumer Support and Education Fund?

Answer. Yes, I did.

Question. And could you tell us when that was?

Answer. Oh, I think it was in the April-May 1994 time period.

Question. And how did that come about?

Answer. Well, I am not sure when, but I had previous discussions with the chairman, the then-chairman of the board, Robert Wolfe, about a topic that interested me, and I think interested him as well; and that's problems with public service today, the difficulty of getting good people to come to Washington for government, generally because of the intense scrutiny they face through the public media, through the hearing process, the predatory press that can look for every angle of a person's life and past life. And it deters so many good people from coming, and it is a very unfortunate outcome; and as a consequence, it deters a lot of good people from coming to Washington.

We had those sort of general discussions.

Question. With Mr. Wolfe?

Answer. Mr. Wolfe.

Question. Do you recall generally when those discussions were?

Answer. Oh, it would be probably in the preceding year, some period of time.

So when Webb resigned, at the time I was shocked about the fact of his resignation, it struck me that it was yet the latest example of someone who had served their country well, who had come to Washington with strong credentials—Chief Justice of the Arkansas Supreme Court, Mayor of Little Rock.

He had, to my knowledge, received excellent reviews on his performance at the Department of Justice. He was well liked by the career people. There were articles in the Washington Post about how upset people were in the Department of Justice, with Webb feeling somehow he had to resign because of the swirl of controversy that had been raised about his former law firm.

It seemed to me, knowing Webb and at that time not being aware of the very serious problems that he had, that he didn't tell me about, that Webb would be a good person, a good candidate to receive the first fellowship like this.

So I brought it up with Webb. Afterwards I said, is this something that you think that you would—you could contribute to and take a substantial period of time and reflect on this experience that you have gone through and talk about the perils of public service? It would give you a time to sort of step back from it all, write something that could even be a book. I think it would be something of great interest. I think it would have potentially tremendous educational value for people to read and for the press and everybody else, part of this Washington scene, to understand how they—they may be discouraging good people from coming to public service.

Webb was enthusiastic about the suggestion. He said he thought he could do that and do it well, he would like to do it. And I said I would recommend that he be considered, to the board, because I—this is something that I had been thinking of, that I and the chairman had; and I had discussions with Bob Wolfe about this idea of creating a Distinguished Public Servant Fellowship, and that I thought Webb would be a good candidate because of his own experience and who he was and what he could write about. And also Webb is a good writer.

He was interested in doing it. He subsequently met with—personally came to Washington, had conversations with him about the project and writing it, and then requested that Webb write—write a letter requesting an application for the structure of the program, which followed; and then the board considered that application and reviewed it and approved the grant with certain conditions attached, including the fact that if this was successful and it was turned into a book, a book form of value and something that could be publishable and he could get an advance on that, any funds that he was to receive for that would go first to repay the funds for the grant.

And he agreed and accepted those terms, I believe back in May. That was at the time that, certainly, I had no idea of the real problems Webb had not disclosed to me or the board. In that respect, I think he misled us. Had we known that, the seriousness of his problems, I would certainly never have recommended this grant, and he never would have received it. But you learn from experience.

Question. Did you talk with anybody about his alleged problems before recommending him for this, aside from Mr. Hubbell?

Answer. No, I didn't, and it probably was a mistake on my part. I believed Webb when he told me. I always thought Webb to be at that time truthful and honest and straightforward. When he told me the problems, as he described them to me, about his firm, I understood them; and they were—there were some articles written, I think, at the time that I may have read. But I think probably, in retrospect, I was mistrustful of much of what is in the press and probably discounted them, and to my regret today.

Question. And as we have indicated earlier, your wife is a member of the press corps; is that correct?

Answer. Yes, yes.

Question. I just wanted to show the witness a couple of articles from March of 1994 about Mr. Hubbell. This is a March 15th, 1994, Washington Post article.

Mr. JOSEPH. Do you have a copy of that for the Minority staff?

Ms. COMSTOCK. No, I do not have a copy of this document.

Mr. JOSEPH. Before he answers any questions on it, I would like to have an opportunity to look over the document.

Mr. DAVIS. What is the date of this?

Ms. COMSTOCK. March 15th, 1994, The Washington Post.

The WITNESS. Well, I have glanced at it quickly.

Mr. JOSEPH. Before you answer any questions, the Minority wants to have a chance to look at the document.

Ms. COMSTOCK. Could we just go off the record for a minute?

[Discussion off the record.]

EXAMINATION BY MS. COMSTOCK:

Question. Why don't we proceed on the March 15th article.

The March 15th Washington Post article that the witness has just reviewed, in that, it indicated that the Rose Law Firm had raised serious questions about possible improprieties in Mr. Hubbell's client billings and expense reports resulting in hundreds of thousands of dollars in losses for the firm and excessive bills to some of its clients.

Do you recall having any knowledge of those matters in March of 1994?

Answer. No, I don't recall specifically reading it, but I do recall my discussions, as I testified earlier, with Mr. Hubbell about problems with his firm; and I think he believed that there were elements within his firm that were hostile to the administration and were using this as an occasion to try to embarrass both him and the administration, and that he was going to resolve these problems that centered on this case that he had for his father-in-law, Seth Ward, that involved hundreds of thousands of dollars.

There were expert witnesses. He described several hundred thousand dollars that the firm had advanced that they now wanted him to repay in various out-of-pocket expenses since the case was unsuccessful.

The question was, at that time, whose responsibility was it? Webb's understanding was that this was a firm matter, the firm took it as a risk on a contingency basis and that there was no obligation, certainly for him as a lawyer, to repay it, or his father-in-law, and that these were overheated comments coming out of this firm where people, as I mentioned, were internally, within the firm, trying to embarrass the administration, trying to embarrass him.

I accepted his explanation. I discounted these swirls of controversy as raised in these articles, which I probably did read, as part of the problem of why you—when you come to Washington, you have sometimes reckless reports being raised by journalists that force a person to feel they have to leave office. I put this in that category.

In retrospect today, in light of everything that's come out, obviously Webb did not tell me the truth, and he did not square with me or others at all about the seriousness of his problems; and they were far different than his characterization to me. And had I known that, I would not, under any circumstances, have recommended Webb Hubbell for a Distinguished Public Servant Fellowship.

Question. Have you had any discussions with Mr. Hubbell about his misrepresentations to you, to this date?

Answer. Yes.

Question. And what have you discussed with him?

Answer. Well, I—when I paid the money back ultimately, he was——

Question. You are referring to the money, the foundation grant?

Answer. The foundation grant.

Question. We will go into that later.

Answer. That's when I discussed it with him.

Question. Okay. We will move on to that a little later then.

This March 15th——

Mr. DAVIS. You still have a question outstanding.

Did you answer, did you have any discussions?

The WITNESS. I did around the time I paid the money back.

Ms. COMSTOCK. I think it might be easier to go through the establishment of Mr. Hubbell getting the money, and so I will return to that at a later time.

Mr. JOSEPH. Ms. Comstock, in the next few minutes, if it is possible, I would like to take a quick break.

Ms. COMSTOCK. Okay. Why don't we go on for a few minutes.

EXAMINATION BY MS. COMSTOCK:

Question. In this March 15th, 1994, article, there is also a discussion about Federal agencies, such as the FDIC and RTC, investigating Mr. Hubbell. Do you recall learning that the FDIC and RTC were also investigating Mr. Hubbell for billing problems?

Answer. Vaguely. I can't recall the details. I recall Webb strongly defending his conduct and believing that there was no basis for this.

Question. Okay. I am showing the witness a March 19th, 1994, Washington Post article. Do you recall the Rose Law Firm—that all 28 partners at the firm agreed to send a complaint to the Arkansas Supreme Court on Hubbell?

Mr. JOSEPH. What is the question?

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall learning in March of 1994 that all 28 of the Rose Law Firm partners had filed a complaint against Mr. Hubbell?

Answer. I vaguely recall that, yes, about that time frame.

Question. All right. And you learned that all 28 of these partners had contended that Mr. Hubbell owed them and his former clients, including the Federal Government, hundreds of thousands of dollars?

Answer. I think I recall, and I am trying—to the best of my recollection, Webb's characterization was that it was very split internally with the firm. There were others who felt that it was wholly inappropriate, they shouldn't do it, but they had to, based on, I think, an opinion they received from somebody about ethical questions raised, that they had to come up with a unanimous position even though there was sharp division within the firm as to the proper course they should take.

Webb defended again his conduct, saying this was very much a political maneuver within the firm, designed largely to embarrass the administration and to embarrass him; and I believed him.

Question. Did he indicate who was involved in this plan or effort?

Answer. No, he didn't. I don't know the members of that firm, so the names wouldn't make any difference to me.

Question. So did you ever talk to anybody at the Rose Law Firm about any of these matters?

Answer. No, I did not.

Question. At any time?

Answer. No.

Question. Do you know Jim Blair?

Answer. No.

Question. From your discussions with Mr. Hubbell, were you aware of the First Lady talking to anybody at the Rose Law Firm about any of Mr. Hubbell's legal billing problems?

Answer. Not that I can recall.

Question. Did he ever mention to you these partners, any action they were taking in regards to Mrs. Clinton?

Answer. No.

Question. Or what they were doing and how it impacted upon Mrs. Clinton?

Answer. I don't believe he—I don't recall.

Question. Okay. Why don't we return to the area of discussing the grant for Mr. Hubbell.

Mr. JOSEPH. If you are going to move on to a different topic or back to a different topic, I think that would be a good time to take a break.

Ms. COMSTOCK. Okay. Would the witness like to take a break? I am sorry.

The WITNESS. Well, a break is fine. My general objective would be to complete, as soon as possible, the process.

Ms. COMSTOCK. Mine also. So if we can keep it as brief as possible, I will just stay here and we can go back on the record as soon as Mr. Joseph returns.

[Recess.]

Ms. COMSTOCK. We can go back on the record.

EXAMINATION BY MS. COMSTOCK:

Question. We were discussing the fellowship that was awarded to Mr. Hubbell. You indicated that Mr. Hubbell was interested in this fellowship, and can you tell us what he envisioned he was going to be doing as part of this fellowship, if he were to apply for it?

Answer. Well, I think he was going to step back, take several months, work full-time was my understanding on reflecting on his experience in Washington, much

of his—the problems and difficulties of serving in the public eye and his own personal sort of account of this, of why he did what he did; to also talk about others who came from Arkansas, had similar experiences.

Certainly, Vince Foster is a close—and an old friend's tragedy would presumably be part of what he would write about. He would go back and review all of his files, pull everything together, try to write as compelling a piece as he could. Not just a piece but a long body of work.

Question. Okay. And when you discussed this with him, did he say whether or not he would have other work that he was doing at this same time, or was this going to be an exclusive thing that he was working on?

Answer. I understand this grant he would be receiving, this for was full-time work for the equivalent of 3 months, that could be extended over some time; but it was not—it was at least that amount of effort and probably, as these usually end up doing, they take a lot more time than you submit. So I wouldn't have been surprised if he spent 4 or 5 months' equivalent for the time doing this work.

Question. After you talked to Mr. Hubbell, he indicated that he was interested in this?

Answer. Yes.

Question. When you discussed this, what did you then decide to do to pursue this?

Answer. Well, I spoke to Mr. Wolfe, the chairman of the board. Mr. Wolfe personally met Mr. Hubbell when he was here in Washington. They discussed it further, and that led to the request that he submit a letter of application. As I testified to, that was submitted and the board considered it and approved it.

Question. Okay. I am showing the witness an April 7th, 1994, letter to Mr. Hubbell from Mr. Wolfe regarding the Distinguished Public Servant Fellowship. It is on Consumer Support and Education Fund letterhead. It discusses this—is this the follow-up, to your knowledge, to the discussion you had with Mr. Wolfe?

Answer. Yes, I believe it is.

Ms. COMSTOCK. Okay. I will mark that as Exhibit 1. The Bates stamp at the top says 2-001.

[Phillips Deposition Exhibit No. 1 was marked for identification.]

[Note.—All exhibits referred to may be found at end of the deposition.]

EXAMINATION BY MS. COMSTOCK:

Question. Could you tell us, who is Robert Wolfe?

Answer. He is an attorney in Los Angeles.

Question. In what areas does he work?

Answer. His specialty was appellate litigation.

Question. How long have you known Mr. Wolfe?

Answer. Oh, 25 years.

Question. And after you spoke with Mr. Hubbell, you then—you set up this meeting that Mr. Wolfe had with Mr. Hubbell. How did that meeting come about?

Answer. Well, to the best of my recollection, Mr. Wolfe was going to be in Washington and wanted to have a chance to talk personally with Mr. Hubbell. I don't know whether I set it up or he called him, but I know he met Mr. Hubbell in his office.

Question. And did you discuss this April 7th, 1994, letter with Mr. Wolfe at all?

Answer. I probably did.

Question. And do you recall what you discussed with Mr. Wolfe about this letter?

Answer. Well, just in terms of the formatting and procedure, that it should lay out exactly the scope of the project that the board had in mind in written form. And so there was a clear statement of the goals and objectives, and that's what this letter appears to be.

Question. Okay. Was this fellowship then, the Distinguished Public Servant Fellowship, designed—was it going to be directed to Mr. Hubbell?

Answer. I don't understand.

Question. The fellowship was going to be created for Mr. Hubbell?

Answer. Well, I think, as I previously testified, there was a discussion about beginning a Distinguished Public Servant Fellowship, and this would be the first. If it worked out well, there would be more.

Question. Were there any other people at the time that you were considering for the Distinguished Public Servant Fellowship, aside from Mr. Hubbell?

Answer. No. It was my recommendation that Mr. Hubbell, precipitated by Mr. Hubbell's situation, that I thought he fit the criteria well that we had discussed before.

Question. Do you know how the payment, the monthly statement of $15,000 a month for 3 months, was arrived at?

Answer. Oh, I think it was an attempt to come up with an amount that was appropriate for the assigned task, that was generally consistent with what think tanks and these kinds of grants provide for people in Washington, for this kind of work, for this period of time.

Question. Do you know who came up with that figure?

Answer. It was probably my discussion with Mr. Wolfe as to what the appropriate amount would be. We probably discussed it back and forth and arrived at this number as a number to propose.

Question. And did you discuss with—did you have any discussions with Mr. Hubbell about the amount of the stipend?

Answer. Oh, I don't recall. I may have.

Question. I am showing the witness an April 12th, 1994, letter; the Bates stamp on the top is 2-002. It is a 2-page letter from Mr. Hubbell to Mr. Wolfe.

Answer. I have read it.

Question. Okay. Did you have any discussions with Mr. Hubbell in between him getting the initial letter from Mr. Wolfe and writing this letter back—if you recall, any assistance you provided Mr. Hubbell in drafting the letter to Mr. Wolfe?

Answer. I don't believe I did.

Question. Was it your understanding at this time that Mr. Hubbell wouldn't be doing any other work except for this initially?

Mr. JOSEPH. I think you already asked that question.

The WITNESS. My understanding is, this was payment for full-time work, or its equivalent, over maybe some extended period of time, that this would be his primary, even exclusive, focus of his work for the period in question.

EXAMINATION BY MS. COMSTOCK:

Question. Did there come a time when you learned that Mr. Hubbell had other clients during this time frame?

Answer. Sometime over that summer I think I was aware that Webb was looking beyond this 3 months and trying to figure out—develop some sort of practice for himself; that he was trying to get clients or work that he would be able to perform.

Question. All right. Were you aware or did you become aware that Mr. Hubbell also had clients at or around April of 1994 at this same time frame——

Answer. No, I was not.

Question. When you testified that you thought he was exclusively working on this?

Answer. I was—not that I can recall. I wasn't aware of any clients that he had at that time.

Question. When you say you learned sometime in the summer that he had some other clients, what was your knowledge about those other clients?

Answer. That he was trying to develop some client base that could sustain a practice that he was trying to put together.

Question. And what was your understanding of the practice he was trying to put together?

Answer. Well, law practice, generally consulting work in Washington, you know, fairly vague general sense of lobbying, advocacy.

Question. Did you have any knowledge of any of the clients he had?

Mr. JOSEPH. I believe he testified so far that he was aware that he was trying to develop a practice.

EXAMINATION BY MS. COMSTOCK:

Question. I am asking if you had any knowledge of any particular clients that he had.

Answer. I think the only one I learned sometime later that he told me, in passing, that he did have the City of Los Angeles at some point down the road. I am not sure. It may have been months, several months later, the airport—he had some work he was going to do for the city.

Question. What did he tell you about that work?

Answer. Just that—something about the airport and trying to secure funds from one account to another account for the city. I don't know. He didn't tell me any details about it.

Question. Do you recall how that conversation came up, what the context of it was?

Answer. Just probably general conversation of how he is doing, what he is doing.

Question. And what was your understanding, during the spring of 1994, of Mr. Hubbell's financial resources?

Answer. I personally thought they were very limited. I thought that he was facing, based on what—this is speculation on my part, nothing that he told me, that he was facing severe financial hardships, potential hardships down the road with no visible source of income, for he or his family.

Question. Did he discuss that with you—Mr. Hubbell?

Answer. He didn't discuss in any detail what his financial conditions were, except that he was obviously concerned about his ability to provide for his family and what he was going to do now that he has left the Department of Justice.

Ms. COMSTOCK. I would like to enter this April 12th, 1994, letter, as Exhibit No. 2.

[Phillips Deposition Exhibit No. 2 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I am showing the witness Bates stamp number 2-003. It is minutes of meeting of board of directors of Consumer Support and Education Fund, dated April 13th, 1994. Can you tell us, how often does the board of directors of the Consumer Support and Education Fund meet or have conference calls?

Answer. Oh, I think in my experience, whenever there was any business to be done, they would arrange to have a conference call—several times a year, probably.

Question. Okay. And these notes, on page 1, a little ways down the page, it indicates the board adopted the minutes from the previous meeting of December 4th, 1993. Would that have been the last meeting prior to this April 13th, 1994, meeting, to your knowledge?

Answer. Most likely. I am just basing that on reading this, this document.

Question. Would it be the practice of the board normally to adopt the previous—whatever had been the last board meeting minutes at the next board meeting?

Answer. I think that is the usual practice, yes.

Question. Do you recall how this conference call came about?

Answer. No. It is probably—no, I don't. I mean, it was probably set up to consider and approve this grant, which is the subject matter of the minutes.

Question. Okay. Do you know who set up the conference call?

Answer. No. Probably Mr. Wolfe, is my guess, but I would be speculating.

Mr. JOSEPH. Again, Mr. Phillips, no one here wants you to speculate on these topics, on these questions.

The WITNESS. I am speculating.

I don't recall. Most likely, the Chairman.

EXAMINATION BY MS. COMSTOCK:

Question. The minutes indicate that you, Mr. Wolfe, Mr. Jacoby and Mr. Budetti participated in the conference call?

Answer. Yes.

Question. Could you tell us who Mr. Budetti is, Dr. Budetti?

Answer. Dr. Budetti, he is a doctor and a lawyer. He is now head of some health policy institute at Northwestern University. I think at this time he was the head of a health policy institute at George Washington. His specialty is, he is both a lawyer and a doctor, is health policy issues.

Question. I am sorry. I indicated that Mr. Jacoby participated in this conference call, but the notes do indicate that he was absent and forwarded his proxy to the Chairman. So I just wanted to correct that for the record.

The minutes here indicate that this was something—a reference to the board of directors of Taxpayers Against Fraud, which was convened on April 13th, 1994. Is that another name for the fund? Or what is that referring to there, if you know?

Answer. I don't know. I mean, that doesn't make any——

Mr. JOSEPH. Where are you reading from?

Ms. COMSTOCK. I am reading from the first paragraph. It says, pursuant to written waiver of notice and consent to holding a special meeting.

The WITNESS. It appears to me that is probably a typographical mistake that they have.

EXAMINATION BY MS. COMSTOCK:

Question. You don't know what the Taxpayers Against Fraud is?

Answer. It's another organization. It's not this organization.

Question. Okay. To your knowledge, who would have—who prepares the minutes of these board of director meetings?

Answer. I would be speculating. It would be——

Question. Okay. Do you know——
Answer. I would be speculating.
Question. Did you prepare these minutes?
Answer. I don't believe so.
Question. Is there a formal secretary of the organization who was responsible?
Answer. Someone may have the title "secretary." You mean as an officer, secretary?
Question. Yes.
Answer. I don't think there is a secretary in the sense that they have the responsibility for preparing the minutes.
Question. Okay. Other than the minutes that are reflected here, do you recall any discussions about Mr. Hubbell getting this fellowship that was engaged in the course of this conference call?
Answer. No.
Question. Do you know if prior to this conference call anybody had talked with you about any of the legal problems that Mr. Hubbell had?
Answer. Anybody on the board?
Question. Yes.
Answer. No, I don't believe they did.
Question. So Mr. Wolfe had not talked to you at any time prior to this conference call about any legal—any legal problems that Mr. Hubbell had?
Answer. No, not that I recall, but I am certain that a discussion about the whole reason for doing this project, writing this book, was based on, in this case, Mr. Hubbell's experience, as I testified to earlier. I don't recall any specific discussions about legal problems of Mr. Hubbell with Mr. Wolfe.
Ms. COMSTOCK. I will make that Deposition Exhibit No. 3.
[Phillips Exhibit No. 3 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Okay. You had indicated earlier that Mr. Wolfe did come to Washington and had occasion to meet with Mr. Hubbell. Were you in that meeting at all?
Answer. Yes. I introduced him.
Question. Okay. And can you just tell us about that meeting?
Answer. It was a meeting in Webb's office. I introduced Mr. Wolfe to Webb. They discussed the project, his sense of what he would be writing about, how he would do it. That's about the sum and substance of the meeting.
Question. Okay. Were you there for the entire meeting with Mr. Hubbell and Mr. Wolfe?
Answer. I don't recall if I was there for the whole meeting.
Question. Did Mr. Hubbell indicate he was going to gather his papers together and review through papers?
Answer. Yes.
Question. All right. What was your understanding of what those papers were going to be that he was going to be reviewing?
Answer. Oh, whatever—generally, what he had at the Department of Justice, his experience there, the matters that he worked on, papers from Arkansas, his sort of history of working in public service, how he—what he did, how he was really committed to doing public service work and the difficulties he encountered in Washington, any papers that would relate to that.
Question. I am showing the witness an April 15th, 1994, letter from Robert Wolfe to Mr. Hubbell regarding the distinguished public servant fellowship. This is a letter indicating that the board had approved this fellowship; is that correct?
Answer. That's correct.
Question. Do you recall having any discussions with Mr. Wolfe about preparing this letter or anything having to do with this letter?
Answer. I don't recall. It is obviously a follow-up to the board's meeting.
Question. Okay. Was it your understanding that Mr. Hubbell was going to provide progress reports on an interim basis about how this was—this report was progressing?
Answer. I think that was a condition of the grant, the letter grant, yes.
Question. And did there come a time where Mr. Hubbell informed you about his progress on this project?
Answer. I talked to him on and off over the first several months about the work he was doing, outlines and the focus and general substance. I had the impression he was working on it, gathering materials together, preparing outlines, thinking of it. I was impressed based on what he told me that he was turning his attention to this in a major way.

Question. Okay.
Answer. But I had not seen anything written from him.
Question. At any time did you ever see anything written that he prepared?
Answer. No.
Mr. JOSEPH. Are you talking about a letter?

EXAMINATION BY MS. COMSTOCK:

Question. At any time to the present did you see any anything regarding this project, the report that he was going to provide, this series of articles that he intended to write?
Answer. I don't recall having—it is not necessarily that I would see them. I wasn't really in charge of overseeing this, but I don't recall having seen any written reports other than his letters that he sent.
Question. Were you copied on these various letters that he sent?
Answer. I don't——
Question. At the time?
Answer. I have seen these letters and I don't really know whether I saw them at the time or when I saw them afterwards when they have become a subject of interest of your committee's and others.
Ms. COMSTOCK. I will make this April 15th, 1994, letter, Deposition Exhibit No. 4.
[Phillips Exhibit No. 4 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. During this time in April and May, this 1994 time frame, this first few months after Mr. Hubbell left the Justice Department, did you have any knowledge of the kind of hours he was keeping at his office?
Answer. No.
Question. Did you have any knowledge about the amount of time that he was putting into this particular project?
Answer. Well, I had the impression that he was putting a good deal of time in it based on general discussions I had with him during that time.
Question. Did you have a general idea of how many hours a week he was devoting to this project?
Answer. No, but I assumed to the extent that a work week is 40 hours, that I was assuming he was devoting a substantial portion of that time to this project. That's certainly what the expectation was.
Question. You are saying your expectation was he was putting something like a full work week into working on this report?
Answer. Uh-huh. That was my expectation.
Question. All right. Did you ever talk with Mr. Cardozo about the type of hours that Mr. Hubbell kept at his offices?
Answer. I don't recall having ever talked to him about that.
Question. Or at any time to the present ever discussing with Mr. Cardozo, gee, was Mr. Hubbell around, was he there, you know, during the time?
Answer. No, I don't recall any such discussions.
Question. All right. Showing the witness a calendar entry, which is a calendar entry of Mr. Hubbell, I believe.
Mr. DAVIS. Excuse me. Is this Mr. Hubbell's calendar?
Ms. COMSTOCK. Yes. This is Mr. Hubbell's calendar for April 20th, 1994.

EXAMINATION BY MS. COMSTOCK:

Question. It indicates a meeting with Bob Wolfe at 5:00 p.m. that day.
Mr. JOSEPH. Can you explain what the source of this document is?
Ms. COMSTOCK. This is from Mr. Hubbell.
Mr. JOSEPH. Are you aware of whether the Majority has ever provided this document to the Minority prior to today?
Ms. COMSTOCK. I believe these documents may have been obtained in 1996, so you all may not have a copy.
Mr. JOSEPH. I am sorry?
Ms. COMSTOCK. You all may not have a copy of this particular entry. I am not sure. These were documents that were obtained during the course of a committee investigation in 1996.
Mr. JOSEPH. I am going to object just for the record for a use of a document from an earlier investigation that you have not provided to this staff or identified or given us any indication prior to today that you are planning to use such a document with the witness.

Ms. COMSTOCK. Okay. Your objection is noted.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall if Mr. Wolfe ever—okay. I am sorry. On this calendar entry for April 20th, 1994, there is also a reference to a lunch with Truman Arnold at noon on that same day that Mr. Wolfe was meeting with Mr. Hubbell. I know you have already testified to there was a meeting with Mr. Hubbell and Mr. Wolfe at which you were present. Your name is not indicated here on this particular entry. Do you know if there were other meetings that Mr. Wolfe had with Mr. Hubbell alone that you weren't part of in this April 1994 time frame?

Answer. I don't know.

Question. And do you recall in your meeting if—that you had with Mr. Wolfe, if Mr. Hubbell had made any reference to meeting with Truman Arnold?

Answer. I certainly don't recall that.

Question. Okay. And did Mr. Wolfe ever indicate to you any references that Mr. Hubbell made to working with Mr. Arnold?

Answer. No.

Ms. COMSTOCK. I will make that Deposition Exhibit No. 5.

[Phillips Exhibit No. 5 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Showing the witness a document that's a payment to Mr. Hubbell from the Consumer Support and Education Fund, the Bates stamp at the top is 2-005 and the bank statement is on the top and then the check itself for the monthly stipend is on the bottom.

Do you recall how, in your discussions, the payments were going to be made, if they were going to be before or after he had given you any progress reports or product?

Answer. No, I don't recall. I mean, it wasn't spelled out in the agreement. This didn't govern when the payments were going to be made.

Ms. COMSTOCK. I will mark that as Deposition Exhibit No. 6.

[Phillips Exhibit No. 6 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a May 18th, 1994 letter to Robert Wolfe from Mr. Hubbell. I believe this letter is a progress report of sorts that Mr. Hubbell was giving. Do you recall seeing this letter at or around May of 1994?

Answer. I really can't remember if I had seen it then. I have seen it since, but I don't know whether or not I saw it at the time.

Question. Do you recall if you received any progress reports at the time?

Answer. I don't think I was copied on these letters. I may have seen them. At some point, I read these letters, but I just don't recall.

Mr. JOSEPH. Are you talking about in preparation for this deposition you have read these or some earlier time?

The WITNESS. In the last year or so, since this has been a matter of controversy, I have seen these documents sometime—recently I have, but I don't know—if your question is, did I see them contemporaneous with them being sent, I don't recall.

EXAMINATION BY MS. COMSTOCK:

Question. I am asking you if, in the time frame of 1994, you ever recall receiving any progress reports?

Answer. I may have seen them, but I just don't recall.

Question. Okay. And Mr. Hubbell here indicates that he did a written—recreated a written history of his public service. Do you recall ever seeing anything like that that Mr. Hubbell showed to you that—that he showed to you?

Answer. No.

Question. Do you recall him ever telling you about a written history of his public service that he was preparing?

Answer. Well, I mean I recall him telling me he was working, I thought, diligently on this project, but I don't recall that he had a particular document that he had prepared.

Question. In No. 4 on this letter, he said he started a series of interviews with individuals who joined or considered joining the Clinton Administration. Do you have any knowledge as to who those interviews were with?

Answer. I do not.

Question. Did he ever indicate to you any particular individuals he was going to attempt to interview?

Answer. I don't recall specific names, other than he wanted to write an article about his experience in Arkansas coming to Washington. It may well have included the experience of others similarly situated.

Question. Okay. At the end of this letter to Mr. Wolfe, he indicates that he was looking forward to visiting with him soon about this project. Do you know if he ever met with Mr. Wolfe—I think he was indicating that he might see him in California, after this May 18th letter.

Answer. I am not aware that he met him in California.

Ms. COMSTOCK. Okay. I will make that Deposition Exhibit No. 7.

[Phillips Exhibit No. 7 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. If you know, do you know at this time—it doesn't indicate on this letter, but do you know sort of in the April/May time frame of 1994 of any written product, besides letters, saying what he was doing was ever—the actual product that you all expected, if that had been produced to anyone at the Foundation?

Answer. I am not aware that it was produced.

Question. This is a May 20th, 1994, letter to Mr. Hubbell from Bob Wolfe.

Mr. JOSEPH. I just want to note for the record that there is no signature at the bottom.

Ms. COMSTOCK. I believe these documents were produced by, I guess, Consumer Support and Education Fund and this was the way they were produced to us.

EXAMINATION BY MS. COMSTOCK:

Question. Bates stamp number on the top is 2-008. The first paragraph of this letter indicates that they are sending the second installment on the monthly stipend. Do you recall any discussion in this May time frame of anybody asking you any questions about, you know, should we be continuing this; you know, should we continue paying the stipend at this time?

Answer. You mean were questions raised as to whether it should be continued?

Question. Yes.

Answer. No, I don't recall.

Question. Okay. In this letter, which is not signed by Mr. Wolfe, but in the third paragraph it indicates that he is inviting him to visit with him at his house in California. Again, you have no knowledge about whether or not Mr. Hubbell ever visited with Mr. Wolfe in California; is that correct?

Answer. No. That's right. That's correct.

Ms. COMSTOCK. I will make that Deposition Exhibit No. 8.

[Phillips Exhibit No. 8 was marked for identification.]

The WITNESS. To the best of my knowledge, he did not visit him.

Ms. COMSTOCK. There is also—this is a May 18th check for $15,000. I will go ahead and make that Deposition Exhibit No. 9. That was the second installment, payment, that we were just discussing that was referred to in the letter.

[Phillips Exhibit No. 9 was marked for identification.]

Mr. JOSEPH. You are characterizing it as connected or as a second installment.

Ms. COMSTOCK. It says, second monthly stipend on that check there. That's how it is characterized on the check.

There is a reference in the letter to enclosing a second installment.

And this is a June 18th, 1994, check attached to a June 30th, 1994, bank statement from the Consumer Support and Education Fund. This check indicates that it is a monthly stipend number three.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall if there was any discussion between May and June about continuing to pay Mr. Hubbell this stipend?

Answer. To the best of my knowledge, I don't recall during the course of these payments any questions raised as to whether they should not be paid.

Question. Okay. Do you know if by June 18th, 1994 or at or about that time you received any work product from Mr. Hubbell at this time?

Answer. I am not aware of any, other than these letters that were sent reporting on his progress.

Ms. COMSTOCK. All right. We will make that Deposition Exhibit No. 10.

[Phillips Exhibit No. 10 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a September—I am sorry. I have got the wrong letter here for you. This is a little later. Excuse me.

The next letter that we have that was received from Mr. Hubbell is a September 12th, 1994, letter. Before I ask you about that I wanted to ask you during the summer of 1994, where we don't appear to have any contact between the Consumer Support and Education Fund and Mr. Hubbell, except for the stipend checks in May and June following the initial one in April, are you aware of any discussions with anybody at the Foundation about what Mr. Hubbell was doing throughout the summer on this project?

Answer. No. I mean—no, I am not. I mean, there may have been some general discussions, but I can't recall them.

Question. Do you recall if there was ever any concern about his—any growing legal problems he had in the summer of 1994?

Answer. Well, yes, there were concerns that began to surface, and I am not exactly sure when. I think it was around September, sometime after he had received the three installments, it became increasingly clear that he obviously had some serious and major problems that he had not told anybody about.

Question. You say in the September 1994 time frame is when you learned that there might be some serious problems?

Answer. Well, I think there was some discussions at that time, that I had with Bob Wolfe, that Webb's problems seemed to be getting much more serious, and I think the question in my mind was raised, would he ever be able to complete this assignment given—if he is—if it turns out that he had serious problems in terms of his own conduct. He would hardly be a distinguished public servant if that was the case.

Question. Were you aware of Mr. Hubbell traveling throughout the summer of 1994?

Answer. Traveling?

Question. Yes, to foreign countries.

Answer. Yes.

Question. How did you learn about that?

Answer. He accompanied—the families took a vacation together and joined us for about 2 weeks.

Question. And where was that?

Answer. In Greece.

Question. Okay. Your families both traveled for 2 weeks together to Greece in the summer of 1994?

Answer. His daughter and my daughter were friends, right.

Question. Could you tell us who was on that trip?

Answer. Webb and Suzy and their daughter, Kelly, flew over to Greece; myself, my wife and my daughter. And I had rented a small boat and we—it turned out to be very small. We spent about 10 days, I believe, traveling around the various islands.

Question. On this boat that you had rented?

Answer. Yes.

Question. Did you pay for this trip?

Answer. I paid for the boat, yes.

Question. All right.

Answer. And I invited them to join us.

Question. Who paid for their air travel, if you know?

Answer. I believe the way we did that, I had a lot of frequent flyer miles and if they would buy my daughter's ticket, which was expensive at the time, without any discount rates, I would use my frequent flyer miles to get Webb and Suzy a ticket. That's, I think, what we did.

Question. All right. So they had—they paid for your daughter's ticket?

Answer. Right.

Question. And then the rest of the——

Answer. I think it was about $1,400, something like that. It was not insignificant. And I used my miles to get them tickets.

Question. All right. And were you on this boat the entire time, then?

Answer. For 10 days, yes.

Question. All right. And who paid for the expenses while you were traveling around?

Answer. I paid for the boat. That was the expense. We shared expenses for meals. We usually ate in a small tavern, these places that we would dock for the night

and we would have our meals at the local restaurant. I didn't pay—we all split it up.

Question. What was the time frame of this trip?

Answer. I believe it was maybe late July, early August, 1994.

Question. And at that time, did Mr. Hubbell indicate to you any of his growing legal problems?

Answer. No, he didn't. You know, I am trying to remember. Webb—I continued to believe him. I think it was more in the September, post-September time frame that I became very concerned that Webb's problems were quite serious and very different than what he had told me.

Question. Did your wife, in her reporting, cover any Whitewater matters or anything that gave you any knowledge in particular about any growing legal problems that he had?

Answer. Not that I recall.

Question. Did Mr. Hubbell tell you anything about his—any other foreign overseas travel he had during the summer of 1994?

Answer. I know he went to the Far East later in the summer.

Question. After this trip that you took together?

Answer. Yes.

Question. How did you learn about that trip?

Answer. I think he—I think he and his wife probably mentioned it to us that they were going to take this trip.

Question. Did Mr. Hubbell tell you that he was doing any work for the Riadys at the Lippo Group?

Answer. Yes, the first time I had heard that name, the Riadys, the Riadys that he knew in Little Rock, he was doing some—going to do some work for them or something and they were arranging for a trip for Webb and his wife. That's the sum and substance of what—he didn't tell me what the work was and I didn't know what it was.

Question. So this was in the summer of 1994 that he told you about this work for the Riadys?

Answer. Well, whenever he was leaving to go, whenever that trip occurred. He was telling me they were taking this trip and he said he was—the trip was being arranged by this Riady family from Little Rock, or James Riady, I think his name was.

Question. Was his wife going on that trip?

Answer. Yes.

Question. And what was your understanding of the nature of that trip?

Answer. I have just a vague sense that maybe it would be introductions to people who may—maybe introductions to people who are associated with them; nothing specific, that they have business interests in Indonesia and elsewhere.

Question. Okay. Did he indicate anything about how much money he was making from working for the Riadys?

Answer. No.

Question. Did you have an understanding that he was being paid for this—his work with them?

Answer. I really—I obviously learned later that I was paid a lot of money. I am trying to remember at the time. I don't know whether I knew whether he was then retained by them, paid by them at all. I don't think—I certainly had no idea of the amounts that subsequently came out. I don't know at the time whether I knew he was being paid anything.

Question. Okay. You indicate that there did come a time that you did learn that he was being paid by the Riadys?

Answer. Yes, in the press.

Question. And when you say the press accounts, would that be last fall then you learned about it?

Answer. Whenever they came out.

Question. I am showing the witness an October 7th, 1996, op-ed by William Safire entitled "The Asian Connection." In it, at the bottom of the article, it references—it is about four paragraphs from the bottom. It says—begins, the Riadys did, quote, "I am told that between resignation and indictment a Lippo affiliate paid Hubbell over $250,00."

Mr. JOSEPH. What is the date of this article?

Ms. COMSTOCK. The date is October 7th, 1996. It is a New York Times op-ed by William Safire entitled the "Asian Connection."

Mr. JOSEPH. I don't know whether the copy for the record is as mine is, which is cut off at the bottom.

Ms. COMSTOCK. Yes, it is cut off a little bit on the bottom. Just one line on the second column is cut off. Actually, I think a line on the first column is cut off, too, just one line on the bottom.

Mr. JOSEPH. Mr. Phillips, you should feel free to read the whole article. I don't know if those missing lines are significant or not.

The WITNESS. Okay. I have read it.

EXAMINATION BY MS. COMSTOCK:

Question. When you said you learned it from the press, do you recall this particular article at all?

Answer. I think I do. I think I recall it.

Question. Okay. Do you recall discussing this with Mr. Hubbell, anything about the payments?

Answer. I recall him—I remember reading this—first of all, Mr. Safire isn't the most, in my view, credible person. So—I think he may have made some remark about I only wish it were that much money when I had a conversation with him from prison the last time this came up.

Question. A conversation you had with Mr. Hubbell at about the time that this article came out last fall?

Answer. I just vaguely remember Webb saying something like I only wish what William Safire said—I never asked him how much he made or what he got. I have no knowledge of—he never told me how much. Nor did I ever ask him, except that comment, I only wish—something to that effect.

Ms. COMSTOCK. I will make this article Deposition Exhibit No. 11.

[Phillips Exhibit No. 11 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. You had indicated that at some time in the fall of 1994 that you started thinking that Mr. Hubbell may not be in a position to complete this project. Given that you learned, I guess, sometime in August of 1994, that he was doing some work for the Riadys and traveling and given that you hadn't seen any work product yet throughout the summer, did you ever have any concerns about whether or not he was doing any work on the Foundation?

Mr. JOSEPH. I am going to object. That's mischaracterizing his testimony and assuming facts not in evidence. He hasn't testified about work that he was doing for—that Mr. Hubbell was doing for the Riadys.

The WITNESS. I don't know if he was doing work for the Riadys. I knew he took this trip.

EXAMINATION BY MS. COMSTOCK:

Question. He took a trip for the Riadys?

Answer. Yes. Well, I think I testified earlier around the fall, and I am not sure of the exact dates, when the—when Webb's problems became more pronounced and clear that he had serious, serious legal problems, I, at that point became concerned that there is no way he could possibly complete this task, because he couldn't meet the basic conditions of being a distinguished public servant.

Question. Did he—you said—I am sorry. I can't recall. Did you discuss these concerns with Mr. Wolfe?

Answer. I think—well, over the period of time, I am sure I had discussions with the unfortunate turn of events for Webb and the embarrassment for all of us who—for me recommending him, for the Fund who gave him this grant.

Question. As of—I will show you, this is a September—did I give you a copy of this?

Mr. JOSEPH. Yes.

Ms. COMSTOCK. September 12th, 1994 letter.

The WITNESS. Yes. You gave this to me.

EXAMINATION BY MS. COMSTOCK:

Question. In this letter, again, Mr. Hubbell talks about having completing—he talks about completing the assembling and organization of his papers in the first item, number one there, and then number two, he says, I have created a chronological history of my public service and, number three, I have completed the assembling of the documentation. I want to go to one. Did you ever see any evidence that Mr. Hubbell had, quote, "completed my assembly and organization of my papers, notes, reports and other documents from the Justice Department?"

Answer. The answer is, no, I have seen no other—no materials that he may have developed as work papers in preparation for this article and no materials that he has referred to have I seen.

Question. Okay. So that would apply, then, for paragraph number two and the chronological history?

Answer. Yes.

Question. Or number three paragraph?

Answer. Right.

Question. And then number four, he talks again about completing interviews of certain individuals who joined or considered joining the Clinton Administration. And, again, you have no knowledge of any particular individuals that he interviewed?

Answer. No.

Question. He indicates here, he hoped to interview Jean Hanson and Roger Altman because of their involvement in congressional hearings. Did you ever discuss with him interviews of Jean Hanson or Roger Altman?

Answer. No, not that I can recall.

Question. And then number 5 he discusses a rough draft. Again, you did not ever see any evidence of a rough draft of any of these reports?

Answer. I have not—did not.

Question. To this date?

Answer. To this date.

Ms. COMSTOCK. I will make that Deposition Exhibit No. 12.

We have another majority staffer who has joined us.

[Phillips Exhibit No. 12 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a November 18th, 1994, letter, to Robert Wolfe from Mr. Hubbell. And again this is providing the further update. Again, the first paragraph, Mr. Hubbell is repeating that he has completed his work of assembling, but he does indicate in the second paragraph that the project is still incomplete, but indicates he is still trying to complete it.

By November of 1994, did you have any discussions with him about where this project was at at this point?

Answer. I may have, but I must tell you, I was very discouraged based on where things were that this project would ever be completed, around about that time; certainly after the indictment.

Question. You would be referring to the December 1994 guilty plea that Mr. Hubbell made?

Answer. Yes. There was virtually no way he could complete it.

Question. On this letter, November 18th, Mr. Hubbell indicates that there is an enclosure. The bottom of the page, the first page, it says, I am finally set on the format, but would appreciate your thoughts. I have enclosed a draft of the introductory article.

We did not receive, I guess, from the Fund or from you an enclosure. I mean, this letter was not to you. I want to make that clear. It is to Mr. Wolfe. Do you know about any enclosure or draft that he ever sent to the Fund?

Answer. I do not.

Question. Have you ever talked with Mr. Wolfe about any such draft that Mr. Hubbell may have provided him at any time?

Answer. I think I recall Mr. Wolfe saying that—well, referred—that he said he was sending a draft. It didn't accompany the materials.

Question. So in your——

Answer. My recollection was that he did not receive the referenced material.

Question. So in your discussions with Mr. Wolfe, Mr. Wolfe informed you that even though this letter in particular said there was a draft, that Mr. Hubbell just sent the letter without the draft?

Answer. That's correct.

Question. All right. Did you know if Mr. Wolfe ever—did Mr. Wolfe ever tell you if he called Mr. Hubbell to tell him the draft wasn't in the letter you sent me?

Answer. No, I don't recall. He probably did.

Question. Do you recall if anyone had any concerns that by November 18th or November 1994, thereabouts, Mr. Hubbell had performed any work for the $45,000 he had been advanced, yet was sending a letter saying he gave the Fund a draft that is not enclosed? I mean, anything to that effect that was discussed with Mr. Wolfe or any board members?

Answer. Well, I can only give you my sense. My sense was that he had done work, a lot of work, based on conversations that I had with him, but in the fall it became increasingly clear to me that it would be unlikely that he could complete this assignment in the way that the board expected. And so—that's my answer.

Question. Did you have any discussions with Mr. Hubbell about your increasing concern that he wouldn't be able to complete the project?

Answer. You know, probably not as direct as I should have in retrospect. I may have.

Question. Do you recall expressing any concern to him that you had set this up for him essentially and now he wasn't producing the work?

Answer. Well, I did have subsequent discussions with him. I don't know exactly when they occurred. It was a difficult situation, especially after he pled guilty, where he received this money, I had recommended him, he had not performed, he couldn't perform, and I assumed he didn't have the capacity to repay the money.

Question. Did you discuss with him repaying the money?

Answer. Yes, I did.

Question. And what did he say?

Answer. Well, I told him—I told him, when I was going to repay the money, that I felt obligated to do so and I think he was surprised. Somehow, he just thought this was free money. I don't know. I told him I was going to repay the money. I didn't have to, I didn't have a legal obligation, but I vouched for him. He didn't perform. I was going to pay the money back. I told him that in prison.

Question. You had that discussion with him when he was in prison?

Answer. Yes.

Question. And what was his response?

Answer. He was very emotional. I think he was moved to tears. He was, I think, humiliated, embarrassed. I think he genuinely didn't realize I would have to pay the money back. I think he genuinely felt that he had treated me very badly and everybody else associated with this.

Question. At the time of that conversation, which is some—I believe the record is that you paid the fund back at some point in December of 1995; is that correct?

Answer. Yes. I think sometime in November I had this conversation with him.

Question. Okay. Why don't I get that for you.

Ms. COMSTOCK. I will go ahead and make this November 18th, 1994 letter, deposition Exhibit 13 before we move on to the next one.

[Phillips Exhibit No. 13 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. This is a December 14th, 1995 memo, and I guess a personal check of yours to the Consumer Support and Education Fund for $45,000. Your recollection, then, is you had this discussion with Mr. Hubbell about repaying the loan prior to your writing this check?

Answer. I believe it was November.

Question. Now, Mr. Hubbell had pled guilty in December of 1994, and this was in December of 1995. I am wondering, within that year time period, did you have discussions with the Foundation about what was going to go on with the repayment of this by Mr. Hubbell or you?

Answer. Yes, I mean generally I think—well, you know, what a terrible predicament it was, having taken this money, not that—he really couldn't do the work in prison; what are we going to do about it, just sort of—I mean, ultimately I knew, beginning when he went to prison in some way or another I wanted to see the Fund be made whole.

Finally, I would just step up to it and do it at the end of the year. I put it off longer than I should have, but because it was apparent that he would not be able to complete the work and I assumed he had no capacity to pay the money back; perhaps in error, but I assumed he didn't.

Question. Did Mr. Hubbell tell you he didn't—he wasn't able to pay it back himself?

Answer. Yes. He said he would pay it back at some point, when he was able to. He felt terrible about the situation. He would—I saw him in prison. He——

Mr. JOSEPH. Weren't we talking about the pre-prison time period?

Ms. COMSTOCK. No. We are talking about the discussion he had in November of 1995 with Mr. Hubbell when he is telling him that he was going to repay the money to the fund.

The WITNESS. Yes. I believe he said, in essence, he didn't have the capacity to repay that money, which I understood given the demands that I assumed to be no

income and the demands of his family. He asked that he give me some security, I said, well, why don't you write me a note, a promissory note. That would be fine.

Later, I thought I should reduce it more to a formal letter, which I received back from him and then his accountant called—because Webb had discussed giving me security interest in some art work that he had, that he thought was some equivalent value. And I, in talking to his accountant, said, yes, I would be interested in having such a security interest.

I prepared an estimate of the value from an appraiser of the art work and my secretary prepared—the lawyer prepared the appropriate UCC forms and filed those forms with the District of Columbia to secure my interest in repayment of that money.

Question. Okay. Who was Mr. Hubbell's accountant?

Answer. Oh, somebody in Little Rock. I don't remember his name.

Ms. COMSTOCK. Now, I will make this repayment Deposition Exhibit No. 14.

[Phillips Exhibit No. 14 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. In repaying this loan to the Fund, can you tell me how that works tax-wise for your purposes? Is this a tax-deductible donation to the Fund by you or is this just a repayment to the Fund?

Answer. I wish it were tax deductible, but it absolutely is not tax deductible. There was no tax basis upon which I could deduct it.

Question. I believe this is the financial statement that I believe was provided the committee that you were referencing earlier about the art work.

Answer. Yes.

Question. Okay. Did you have to also pay to have all of this—these assessments done on the art work?

Answer. No, I did not. This was provided by Mr. Hubbell's—I guess Mr. Hubbell's appraiser.

Question. And did there come a time when you collected any of these items that were placed as collateral in order to recover any of your money?

Answer. Well, I had a lien on all of these items legally. When they had to get—sell their house and when Suzy moved into a small apartment, they had no place to have—to put many of these items so we took—at her invitation—at their invitation, at Suzy's invitation, I have custody of several of these in my house.

Question. To this date?

Answer. Yes.

Question. Okay. Did you take those for purposes of storing them for them or for purposes of security for your own money that you were out for Mr. Hubbell?

Answer. Well, I think I have the right legally to sell these items. I took them to use. I picked the pieces that we liked, that I liked, and I have them in my home.

Question. Did you pick them up at their home?

Answer. At the apartment, yes.

Question. At Mrs. Hubbell's apartment?

Answer. Yes.

Question. Did you get them from the Macomb Street home or she had them at her apartment at that point where you picked them up?

Answer. I think it was at the apartment—I believe it was the Macomb Street.

Question. You went to the home to pick up the—or if you recall whether you physically picked up the paintings?

Answer. I don't know if I did or not.

Question. Do you know if someone else had picked them up?

Answer. Suzy brought them over or—I just don't recall. When I came back from work, they were thereafter selecting them out.

Question. Do you know if your wife had picked out some of the paintings?

Answer. I think she did. I was aware of some of these that I had seen at their house.

Ms. COMSTOCK. I will make that Deposition Exhibit No. 15.

[Phillips Exhibit No. 15 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. We have an undated letter that was to Mr. Wolfe from Mr. Hubbell. It is unclear when it is from, but it does indicate, I apologize for not communicating earlier, quote, "as you are aware, I was under severe restrictions in my communications for the last 7 months. I was also prohibited from communicating or publishing anything in the media until my period of cooperation with the independent counsel is completed. I hope you and the other trustees understand. The prohibition is now

over and I fully intend to complete the work I set out to do. I have asked my wife to copy the box of documents that have been produced to date and send them to you."

From the facts, I think as you have described and from just the public record, it seems to indicate that this is sometime around in 1995, after Mr. Hubbell has pled guilty and he has been working with the independent counsel. It is unclear whether—I mean, well, the address is at home so it appears to be that it is before he went to jail in August of 1995.

Mr. JOSEPH. I am going to object to that testimony.

Ms. COMSTOCK. Your objection is noted.

EXAMINATION BY MS. COMSTOCK:

Question. Do you have any knowledge of, from your reading of this—first of all, do you recall seeing this letter at any time or reviewing this document?

Answer. I really can't recall. I mean, I have seen this but—I have seen it probably in the last year. Whether I saw it at the time, I don't recall.

Question. Okay. In 1995, at any time in 1995, after Mr. Hubbell's guilty plea in December of 1994, do you recall having any discussions with Mr. Hubbell about him completing his work before this November 1995 discussion you had with him where you indicated you were going to repay the $45,000?

Answer. Oh, I may have. I didn't really, as I mentioned—testified earlier, I didn't really believe Webb was in a position to do the work.

Question. Do you think he had done any work at this time?

Answer. Yes, I thought he had put in a lot of time organizing and all the things he had said. He may not have, but I believed that he had, based on his representations to me.

Question. Do you believe——

Answer. But Webb has turned out to be not always very truthful.

Question. Do you believe today that he did do any work on this project?

Answer. I don't know. I mean, he may well have done a lot of work that he said he was doing in organizing, he may well have. I don't know. I find Webb's statements less credible today than I did at the time.

Question. About his work for you, for the Foundation?

Answer. About anything.

Question. About anything?

Answer. Yes.

Ms. COMSTOCK. I will make this Deposition Exhibit No. 16.

[Phillips Exhibit No. 16 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. You are aware that Mr. Hubbell has taken the Fifth Amendment in regard to these and other matters before this committee?

Answer. I read about it, yes.

Question. Do you have any objection to Mr. Hubbell discussing what he did for the Foundation?

Answer. No.

Question. Are you aware of any of the board of directors having any objections to Mr. Hubbell discussing the work that he did for the Foundation?

Answer. I am not aware of any objection, no.

Question. When you all had given him the grant and the $45,000, was the intent to make his work public?

Answer. Yes.

Question. Have you ever discussed with him why he is taking the Fifth Amendment on these or other matters?

Answer. I did talk to him once after he was out of prison. I don't know——

Mr. JOSEPH. The question is, I guess, whether you ever discussed him taking the Fifth Amendment?

Ms. COMSTOCK. You can let the witness answer the question.

The WITNESS. I am trying to remember if we specifically discussed Fifth Amendment or whether it was more of a general statement that he said he felt he had cooperated fully for a year and a half with all sorts of committees and testified numerous times before grand juries and congressional committees and all it has gotten him is more problems. The cooperation hasn't led to any benefit to him. It didn't appear to be in his interest to continue on that basis, to cooperate.

Now, I don't know if that was in the context of taking the Fifth Amendment or not, but it was just a frustration that he expressed.

EXAMINATION BY MS. COMSTOCK:

Question. Do you recall—did you ever have any discussions with him about discussing his clients and work—in particular, in discussing work he did for you with any investigative bodies?

Answer. No.

Question. Did you ever have any discussion with him about whether or not he could disclose anything about his clients or just the issue of, you know, whether or not he was reluctant to discuss his clients?

Answer. No. I mean, I think his position is ethically he can't, without his client's approval, I assume, discuss matters of an attorney/client nature.

Question. Was it your understanding that he was doing attorney—legal work for any of the other clients that he had?

Answer. I don't know what he was doing. I don't know. I am speculating.

Mr. JOSEPH. Speculating.

The WITNESS. I shouldn't speculate.

Generally, when asked questions of an attorney/client relation, it is raised, it is the client's privilege not the attorney. It is nothing he told me. That's just my understanding of it.

EXAMINATION BY MS. COMSTOCK:

Question. Okay. You had mentioned, in regards to the Safire article, when you had a discussion with Mr. Hubbell, that he had said something to the effect of, you know, he wished he had made as much as the article said.

Answer. Yes.

Question. Do you recall him ever remarking about anything having to do with how much he made from other clients?

Answer. No.

Question. Did you ever discuss with him whether or not he could disclose how much he made from a client?

Answer. No.

Question. Do you recall him ever—Mr. Hubbell ever venturing an opinion on whether or not the amount of money he made from a client, whether or not that was privileged?

Answer. No.

Question. No, you don't recall the discussion or, no, you didn't have such a discussion?

Answer. I don't recall any such discussion.

Question. Okay. This is a September 6th, 1995, letter to Webb Hubbell from Robert Wolfe. It thanks him for his progress report regarding the fellowship.

Answer. Yes, I see it.

Ms. COMSTOCK. We don't have a progress letter regarding the fellowship. Again, I will note that the—or perhaps we do. The Bates stamp numbers that we received these are 4922 and then 4923—or actually, these came in sequentially and the undated letter that we previously referred to, which I believe was Deposition Exhibit No. 16, the letter from Webb Hubbell that is undated, it appears like—I will just offer my opinion that it appears that it may be the Webb Hubbell letter regarding the fellowship because we didn't receive any other one and this was the document.

Mr. JOSEPH. Which are you referring to? You are just pointing to a document which is not the one that I am looking at.

Ms. COMSTOCK. September 6th, 1995, the previous Exhibit No. 16, which was the undated letter from Mr. Hubbell, that I believe you objected to my characterization on, these two were produced together simultaneously as 2-012 and 2-013.

Mr. JOSEPH. You gave me 2-014. I don't have 2-102.

Ms. COMSTOCK. It's the same letter.

Mr. JOSEPH. They are a different letter.

Ms. COMSTOCK. Okay. I am talking about 2-012 right now and 2-013.

EXAMINATION BY MS. COMSTOCK:

Question. Have you seen these letters before, the 2-012, the September 6th, 1995 letter?

Answer. I don't have a copy. Can you give me a copy here?

Question. This is a letter to you and to Mike Geraghty and Tim Geraghty?

Answer. I see it, yes.

Question. Okay. Number one in this letter says, attached for your records are the following, number one, a letter from Webb Hubbell regarding his fellowship.

Just putting this letter and the previous letter we were discussing from Webb Hubbell in context, does that refresh your recollection as to whether or not these two letters came to you together?

Mr. JOSEPH. Well, are these addressed to him?

Ms. COMSTOCK. Yes. This September 6th, 1995 letter, is addressed to Phillips & Cohen, which is Mr. Phillips is part of Phillips & Cohen and then his name is on the second line, John Phillips.

EXAMINATION BY MS. COMSTOCK:

Question. That is you, Mr. Phillips; is that correct?

Answer. That is correct. It would appear that this is an accurate reference, just looking at the documents, makes sense.

Question. Then number two indicates, my response to Webb Hubbell's letter, and then 2-014 is a September 6th, 1995 letter to Webb Hubbell thanking him for his progress report. It is a letter to Hubbell from Mr. Wolfe.

Answer. Yes.

Question. Okay. Referencing now—I thought I would just make sure we have all of these letters as exhibits. 2-013 is already as Exhibit 16. I will make 2-012 Exhibit 17 and 2-014 Exhibit 18.

[Phillips Exhibit Nos. 17 and 18 were marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. In this September 6th, 1995, to Mr. Hubbell from Mr. Wolfe, he indicates that he still hoped Hubbell would complete the project. In September of 1995, was that the thinking of Mr. Wolfe, to your knowledge?

Answer. Well, I don't—I can't speak for Mr. Wolfe. I have read the letter here. It certainly wasn't my thinking. I mean, he might have thought he could transform it into some sort of letters from prison or something. I don't know. But, you know—he probably was hoping to get some product from him. I am just speculating. The letter speaks for itself.

Question. The letter says, I would greatly appreciate a timetable from you as to when we can expect your article or articles and your thoughts about the journal or periodical where we might expect to see them published.

At this time, do you recall making—you making any efforts to see where anyone would be publishing Mr. Hubbell's articles?

Answer. I was of the opinion that there was no possibility that he could produce anything that would meet the terms of the grant.

Question. Okay. And prior to this November 1995 conversation that you had with Mr. Hubbell, where you indicated you were going to repay the $45,000, did you have any discussions with Mr. Hubbell about your thoughts that he was not going to be able to do this project?

Answer. Well, of course, he was in prison. Communications were, therefore, fairly limited. I may have just in passing, but in my own mind I didn't think there was any realistic possibility he could do the work. He couldn't do it in prison. He couldn't write what he was supposed to write. He was no longer qualified to write such an article.

Question. So——

Answer. So I probably didn't want to just bang him over the head in prison and keep harping on this. In my own mind, as I testified to, I didn't think he had the capacity to do this work.

Question. So in September of 1995, you didn't think it was going to be feasible for Mr. Hubbell from jail to be participating as a distinguished public service fellow; is that correct?

Answer. Yes. You bet.

If they wanted to change the title to undistinguished, I would have certainly——

Question. Did you ever have any discussions with Mrs. Hubbell about these—about Mr. Hubbell's work on this project?

Answer. Yes, briefly. I think she was of the opinion, I think, obviously from Webb, that he had done the work and was surprised when she learned that I repaid the money, because he hadn't done the work. So Webb had obviously told her he had done everything that he was supposed to do.

Question. He had told——

Answer. His wife.

Question. Mrs. Hubbell, that he had done all the work for the Fund?

Answer. Yes. She was surprised to learn, when I paid the money back, that he had not done the work that he was required to do, which led me to conclude that he obviously had told her he had done the work.

Question. Okay. And in this undated letter that was previously entered as Exhibit 16, it says, I have asked my wife to copy the box of documents produced to date and send them to you. Again, you have no knowledge of any documents that were sent to the Fund?

Answer. No knowledge.

Question. Did you ever discuss with Mrs. Hubbell any documents that she was supposed to prepare or get together to send to the Fund?

Answer. I don't recall my discussion with her. These documents at that point would be somewhat useless.

Question. This is a December 7th, 1995, letter. We have already discussed the December 14th check that you forwarded so we are getting a little out of order here, but I wanted to return to this December 7th, 1995, letter that you wrote to Bob Wolfe.

Answer. All right.

Question. So obviously this was following your conversation with Mr. Hubbell?

Answer. Yes.

Question. And then when you said you had a discussion with Mrs. Hubbell, was that after the discussion with Mr. Hubbell about repaying the loan?

Answer. Yes.

Question. And was it shortly within that time frame after?

Answer. Yes.

Question. Did she call you to express concern about your repaying the loan?

Answer. No. She asked me whether Webb had done the work, and I was taken aback by the question because implicit in the question was she thought he had. Clearly he had not. And I said, no, Webb had not done the work.

Question. And she expressed surprise at that?

Answer. Yes.

Question. Did she say anything else?

Answer. She was just very upset, knowing that I paid the money back and that it was obviously very painful for me financially to have to pay for his failure to complete his work.

Question. Did she indicate whether he had deceived her about the work that he had done?

Answer. No.

Question. Make any comments to the effect that——

Answer. Nothing more than I have described to you. It was implicit in her question that she thought he had done the work.

Question. Okay. In the second paragraph of this December 7th letter, you write, I made a personal commitment to the Fund that I would repay the grant given to Mr. Hubbell if he had not delivered on his commitment or repaid the amount by the end of 1995.

Earlier, I am sorry, in the first paragraph, you had indicated that last fall that it had become clear that he couldn't complete the work. Who had he made the commitment to and who had you talked to about this commitment that you were going to repay the money?

Answer. Oh, I think it was more of a general commitment in my discussions with Bob Wolfe, you know, figuring out how to deal with this problem; Webb hadn't done the work that he was paid to do and how we were going to deal with it. I had mentioned, I believe, that if it ultimately came to that I would be the one responsible for paying the money.

Question. Do you know if that commitment was made part of any board minutes?

Answer. No.

Question. Or any formal——

Answer. It was an informal commitment. It wasn't a formal statement that I will do this. It was based on my own—my own sense of what was right and my general suggestions that I had with Bob.

Question. Okay. Were you aware, at or around in the fall of 1995, stories coming out about Mr. Hubbell's work that he had done for the L.A. airport?

Answer. I knew he had done some—as I mentioned, testified earlier, that he had the airport as a client earlier. And I became aware at some point of the issue of—this was 1995?

Question. September of 1995, actually, the L.A. Times had an article about Mr. Hubbell's receiving $24,000 to lobby on LAX airport issues for the City of Los Angeles?

Answer. I think I was aware of those articles, yes.

Question. Do you recall ever having any discussions with anyone at the board, after hearing about the LAX contract and some other controversy there, about anything related to your—the Fund having given money to Mr. Hubbell?

Answer. Not specifically. I mean, we all—we all, obviously, faced the fact that this was a very unfortunate development and circumstances here. We had those discussions on several occasions. I don't know if it was in connection with the L.A. Airport. No, I don't think they were connected.

Question. Do you know if in the fall of 1995 there were any discussions about returning the money as a result of some of the, you know, continued negative publicity that Mr. Hubbell was getting?

Answer. No, absolutely no connection.

Ms. COMSTOCK. I will make this Deposition Exhibit No. 19.

[Phillips Exhibit No. 19 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. Again, in the last paragraph, you indicate that he is not in a position to return the grant now. Earlier this year, when stories came out that Mr. Hubbell had earned somewhere in the neighborhood of half a million dollars in 1994, what was your reaction to that?

Answer. I was shocked. I had no idea, if those reports were true, that he had earned that kind of money.

Question. Nothing he had ever told you gave you any indication that he was earning that kind of money at that time?

Answer. Nothing.

Question. Were there any discussions of anybody else reimbursing the Fund from any other sources on behalf of Mr. Hubbell, aside from yourself?

Answer. No.

Question. This is an undated letter to Mr. Phillips from Mr. Hubbell, which reads, quote, "you have told me you intend to reimburse the trust Fund the $45,000 fellowship I received." As we discussed, I am unable to fully complete the parameters of the project as outlined and thus you feel obligated to make the Fund whole. I want to assure you and commit to you to pay this amount as soon as I am able.

Has Mr. Hubbell repaid you in full at this time?

Answer. No.

Question. How much have you been reimbursed in total of the $45,000?

Answer. $10,000.

Question. And would that be a $10,000 check that Mrs. Hubbell gave to you?

Answer. Yes.

Question. In early 1996?

Answer. Yes.

Question. I am showing the witness a January 24th, 1996, check from Suzanna Hubbell to John Phillips for partial loan repayment.

I will make this check Deposition Exhibit No. 20.

This is a January 24th, 1996, letter to you from Suzanna Hubbell.

[Phillips Exhibit No. 20 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. The letter from Mrs. Hubbell indicates that they were going to repay the debt in its entirety by March 31st, 1996; is that correct, on the third paragraph?

Answer. May 1st.

Question. March 31st?

Answer. Yes. Uh-huh.

Question. Do you know how you arrived—was that a date that you had agreed upon with Mrs. Hubbell?

Answer. Well, in talking to her, that's a date that I think they were either going to sell the house or—I think it was really geared more towards the sale of the house. It was on the market. They might be in a position at that time to pay that.

Question. Your testimony is that they have not repaid anything other than the $10,000?

Answer. They have not.

Question. And what is your arrangement at this time for repayment of the remaining $35,000, plus the, I believe, 7 percent interest on that?

Answer. Okay. This was—this letter was superseded by that UCC lien on the art, which was a secured interest that I have in that art that has a value, if you add it up, close to the indebtedness.

Question. So is that the——

Answer. Right now, that's my security interest in it.

Question. Have you discussed with them at any time, since the January '96 payments, and the February agreement on the art, how you are going to get additional payments?

Answer. No, I have not.

Question. Do you have any plans on how you are going to recover the additional funds?

Answer. I think once they gave me the UCC interest in the—security interest in the art, that I am—I can foreclose and sell the art for what it is worth. I think that's probably my only option.

Question. Have you had any discussions with Mr. or Mrs. Hubbell about selling that art work?

Answer. I have not.

Question. Have they made any requests to you not to do so?

Answer. They have not.

Ms. COMSTOCK. I will make Mr. Hubbell's letter to Mr. Phillips Deposition Exhibit No. 21, and Mrs. Hubbell's letter Deposition Exhibit No. 22.

[Phillips Exhibit Nos. 21 and 22 were marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I am showing the witness a January 25th, 1996, fax from Manning, Marder & Wolfe to John Phillips. Attached is an LA Times news article about Mr. Hubbell and your repayment of the $45,000 grant.

Answer. Uh-huh.

Question. Do you recall receiving this fax?

Answer. Yes, I recall seeing the article, yes.

Question. Did you talk to the reporter on this article prior to it appearing in the paper?

Answer. Yes, I did.

Question. When were you first contacted about this story?

Answer. Well, several days before it appeared, I believe.

Question. Did you have any discussions with anybody at the Fund about how you were going to respond to the reporter?

Answer. I am sure I talked to Bob, yeah.

Question. Did they provide you with any official statements that the Fund wanted to make or how they wanted to deal with it?

Answer. I think the discussions we had, first, was should they say nothing. They are not obligated to respond in any way. I think our conclusion was, you should say everything, tell the whole story of how this came about, start to finish. There is nothing—it is embarrassing, but there is nothing to hide, and that's the—that's what we did.

Ms. COMSTOCK. I will make that article Deposition Exhibit No. 23.

[Phillips Exhibit No. 23 was marked for identification.]

EXAMINATION BY MS. COMSTOCK:

Question. I just wanted to go through a few of the other employers. I know you testified that you generally didn't know, but I just wanted to name a few of them to see if you had any knowledge or had ever heard from Mr. Hubbell in passing references to any of the other employment contracts that have come to the attention of the committee and for which we have received documentation.

Do you know a Jack Williams?

Answer. No.

Question. Who is a lobbyist here in town?

Answer. Do not.

Question. Do you have any knowledge about Mr. Hubbell doing any work for Pacific Telesis?

Mr. JOSEPH. Are you talking about independent of articles that he has read?

Ms. COMSTOCK. Yes. I am talking about other than news articles that you have read.

The WITNESS. No.

EXAMINATION BY MS. COMSTOCK:

Question. Or other than after these stories appeared if Mr. Hubbell has told you about anything or if others have told you about anything having to do with his work.

Answer. I think my knowledge of these clients that Webb had are pretty much from the news.

Question. Just so I am clear, if others have indicated to you that, yes, I gave Mr.—you know, after the stories appeared, yes, I hired Mr. Hubbell, anything like that, I am always referring to those types of conversations.

Answer. Okay.

Question. Are you aware of any work that Mr. Hubbell did for Sprint?

Answer. No.

Question. Do you have any knowledge of any work that Mr. Hubbell did for McAndrews and Forbes?

Answer. No.

Question. Do you have any knowledge of any work that Mr. Hubbell did for Mid-America Dairymen?

Answer. No.

Question. Do you have any knowledge of any work Mr. Hubbell did for Sun America?

Answer. Nobody.

Question. You have testified that you know Michael Berman; is that correct?

Answer. Yes.

Question. Have you ever discussed with Mr. Berman any work that he passed on Mr. Hubbell's way from Time Warner?

Answer. Yes.

Question. And could you please tell us what those discussions were?

Answer. After the fact, Michael Berman is a social friend and when the reports, I think, came out that some small amount of money had been paid by Time Warner and that Michael referred Webb to them, we discussed how he is basically trying to do something very innocent, help Webb out as a capable guy, probably could do some work for the client and that's what motivated him to do it and how ridiculous it was that people were drawing all of these conspiracy connections.

Question. Did Mr. Berman ever tell you he was upset about when—that he had gotten work for Mr. Hubbell prior to his guilty plea and hadn't known about Mr. Hubbell's problems or hadn't been described to him to the extent that he felt he should have, that Mr. Hubbell should have?

Mr. JOSEPH. Is that question clear to you?

The WITNESS. Yes. Yes.

I think, I, in general discussions, I believe he—I believe he does think he was misled, that he wasn't straight with him, like he wasn't straight with a lot of people.

EXAMINATION BY MS. COMSTOCK:

Question. So in your discussions with Mr. Berman, he has indicated that he didn't believe Mr. Hubbell was honest with him?

Answer. Oh, I don't know if you could—I would characterize it that way. Obviously, it has turned out to be—had he known the circumstances, just as I know—I am speculating again.

He was obviously upset that—he wasn't aware of the full extent of his problems when he made the recommendation.

Question. Do you know Ted Stein from California?

Answer. No.

Question. Were you aware of Mr. Hubbell signing a contract with Harper Collins to write a book?

Answer. I know he had some book deal that he had, yeah, after—long after the fact.

Question. Do you recall when you learned about the book deal?

Answer. I think when I read about it in some press account.

Question. So when you had conversations with Mr. Hubbell that you have discussed, you know, while he was in jail, he never mentioned that he was writing a book or had signed up to write a book?

Answer. To the best of my knowledge, not until it became a matter of public record.

Question. Were you surprised to learn that he had a contract with somebody else to write something?

Answer. Yes.

Question. And to this date, has he ever discussed with you anything about that book?

Answer. Not the substance of it so much; that he worked on it and wrote long drafts from prison and for whatever reason it wasn't an acceptable product for the publisher.

Question. Do you know a woman named Lisa Specht from California?

Answer. Yes, I do. I have known her for many years.

Question. Can you tell us who she is?

Answer. She is a lawyer at the Manatt Phelps firm in Los Angeles. I knew her before she went to law school many years ago.

Question. And do you have any knowledge about her talking to people in the City of Los Angeles about paying Mr. Hubbell for his LAX Airport work?

Answer. Not that I can recall.

Question. To your knowledge, is Lisa Specht a friend of Mickey Kantor?

Answer. Yes.

Question. Do you know how often Ms. Specht sees Mickey Kantor or talks with him?

Answer. I think they stay in touch. When she comes to town, she would usually stop in to see him.

Question. What is her area of practice, if you know?

Answer. She worked for Mickey at the firm when he was there doing—working with city agencies, city governments, mainly City of Los Angeles, county of Los Angeles, expediter, lobbyist.

Question. For the City of Los Angeles?

Answer. No, for clients dealing with the city.

Question. And to your knowledge, she is a good friend of Mr. Kantor?

Answer. Yes.

Question. All right. Do you have any knowledge as to why she would be discussing payment to Mr. Hubbell about work he did for the L.A. Airport?

Answer. I would be speculating if I did.

Mr. JOSEPH. Don't speculate, please.

The WITNESS. No.

EXAMINATION BY MS. COMSTOCK:

Question. Have you discussed with Mr. Kantor any—to this date, work that Mr. Hubbell did for the LA Airport?

Answer. I am sure we have talked about it since it has been in the public news.

Mr. JOSEPH. What was the question again? Have you talked to Mr. Kantor?

Ms. COMSTOCK. Yes.

The WITNESS. Yes. At what time frame?

EXAMINATION BY MS. COMSTOCK:

Question. At any time to the present, have you discussed with Mr. Kantor Mr. Hubbell's work for the LA Airport?

Answer. Yes.

Question. All right. And could you describe those discussions?

Answer. Well, fairly general in nature; that Webb—Webb was doing—he had kind of a contract for them, for a specific contract that he was ultimately successful in terms of the objective being accomplished and that the city, because of, whatever reasons, was not political issues—articles being written wasn't—hadn't paid him. I remember that's the first time it surfaced, hadn't paid him for what he was doing. And that's pretty much it.

Question. Did Mr. Kantor have any knowledge about what Mr. Hubbell was doing for the city?

Answer. You mean the kind of work he did?

Question. Yes.

Answer. I don't know.

Question. Did you ever discuss with Mr. Hubbell the ongoing investigations into his various employers and consultants?

Answer. No.

Question. You haven't discussed with him anything—any questions of you or others about his employment?

Answer. Oh, with me? Yes—I mean—I thought you meant the others.

Yes, I have discussed with him some time ago that special counsel requested various documents.

Question. Have you ever discussed with Mr. Hubbell his—any grand jury appearances that he has made on these matters or other matters under investigation?

Answer. You mean the substance of what he said?

Question. Yes.

Answer. No.

Question. Have you had discussions with him about his appearances before the grand jury in general?

Answer. Just that he had been hauled around before many grand juries. That was part of his, what he thought, was cooperation.

Question. Again, in the context of, you know, whether or not he should discuss his various employers or things like that, did he ever discuss with you the pros and cons of whether he could discuss work he had done for various clients?

Answer. No, other than his—at some point, his belief that he could not, consistent with attorney/client privilege, discuss any matters.

Question. All right. Okay. Did you visit Mr. Hubbell when he was in jail—I think you indicated you did?

Answer. Yes, I did.

Question. Do you recall how many occasions you visited with him?

Answer. I think three times.

Question. All right. And did you have—were any of those visits after you had that November '95 conversation with him, where you were telling him——

Answer. Yes, one of them.

Question. And did you have any discussion about the repayment of the loan or where you were out on that loan?

Answer. I don't think we did.

Question. All right. Can you tell us what you discussed with him—those would be visits in 1996 or one visit?

Answer. Just life in prison. You know, understand, Webb was a friend of mine. He considered me a very good friend. I felt very sorry for his family especially, and for Webb. I mean, he is a very likeable guy. He turned out to have serious flaws, but he certainly has gone through an ordeal. And it is my view, he was a friend before he had his trouble and he is—many people in this town aren't around when somebody is having hard times, and I wasn't going to be included among them.

Question. Did you speak with Mr. Hubbell often when he was in jail, too, phone calls?

Answer. He would call periodically.

Question. And it is the process they reverse the charges to you?

Answer. I think I gave my number as a number he could call with—through the prison system, however he did it.

Question. Did he ever discuss with you any matters related to his law firm or any ongoing negotiations he had with his law firm?

Answer. Well, I think I previously testified back—at the time he was trying to resolve the problems, that we had some—that we had some general discussions and he wanted to submit this to arbitration.

Question. Did you have conversations with him the previous fall of 1996, before he was released from prison?

Answer. When?

Question. In the fall of 1996?

Answer. You mean did he call me on the phone?

Question. Yes.

Answer. I can't—my guess is he did maybe once a month or so he would call, a couple of times.

Question. Did he ever discuss with you what he was going to do when he got out of jail?

Answer. Yeah. I mean, I talked to him about—how is he going to get his life back together, what he is going to do. He had terrible prospects.

Question. Did he ask you for any help on getting work when he got out of jail?

Answer. We had some discussions about what he would do and should do, and I think I—I was willing to see what I could help him with, but my recommendation to him in the discussions with him is that he work for some charitable group, non-profit group. He considered a couple—it wouldn't pay probably more than minimum wage, but that he should go through a period of redemption and just give him time to step back and think what he is going to do.

I think I suggested several different groups that I might be able to help him with, an AIDS group, a group that works with the homeless and an athletic group that works with inner-city youth, did those sound interesting to him, was there a way that I could help him get in touch with those people that run that?

I mean, Webb has sort of a liability, but this is something that he would be good at to get his feet on the ground. He wouldn't make any money, but it would give him an opportunity, then, to see how he could consider what he is going to do with the rest of his life. Those are the sum and substance of my discussions with him about what he should do.

Question. Did you ever have any discussions with any other friends of his, like Mr. Cardozo or Mr. Berman or Mr. Kantor about Webb's post jail employment?

Answer. Yes, I think Michael Berman, we chatted about what would be good for Webb to do. I think we both sort of agreed that some sort of charitable group would be best for him.

Question. Did you ever have any meetings or anything with anybody about what to do to help him or anything?

Answer. The only time I—Michael Berman and Tom Nides and I had a discussion once about what possibilities there might be for Webb and we all talked in terms of these charitable positions. And nothing ever came of it. Webb really got on his own through some other, I think his lawyer, a job working for this sentence reform group where he is—I think he is making minimum wage.

Question. Were you aware of his interest—did you ever hear about an interest he had in doing white collar crime or fraud consulting?

Answer. Yeah. I think he felt he has learned a lot about that work, especially consulting on issues about prison, sentencing and the like. I think he—thinking through to himself, he couldn't practice law. He lost his license to practice so it would be more like paralegal work, working, I assume, with lawyers. He did raise that as something that he, generally speaking——

Question. Were you aware of him contacting any firms or anyone contacting firms on his behalf to do that kind of consulting work?

Answer. Not specifically that kind of work. It may have been with his own lawyer that he does white collar work. I am speculating. I don't know.

I think there was a thought I always had maybe afterwards that Webb, you know, he was a trained lawyer. He could do some paralegal work possibly somewhere down the road. Maybe that's the next sort of transition that he would move to. But it never got to any point of any job prospects. I mean, the focus, what I told him was I think he really needed to find his charitable position and spend however long is necessary to get his feet on the ground.

Question. Have you seen Mr. Hubbell since his release from prison?

Answer. Yes. I have seen him on two occasions.

Question. Okay. Can you tell us when those occasions were?

Answer. One—once when he—shortly after he was out, about a week, I stopped by his apartment and once I went out to see him for lunch where he was working out in Alexandria. We had a quick lunch. That was the last time. That was, gee, somewhere around February, January/February. I haven't seen him since.

Question. January or February of this year?

Answer. Yes.

Question. 1997?

Answer. Uh-huh.

Ms. COMSTOCK. Can we just take a brief recess? I think I am getting close to getting done.

The WITNESS. Sure.

[Recess.]

EXAMINATION BY MS. COMSTOCK:

Question. Back on the record. You had indicated that last time you had been in touch with Mr. Hubbell was very early this year. Why haven't you talked to him since?

Answer. Well, several reasons. One, he really, you know, let me down a lot and put me in a very difficult, and many others in a difficult positions, and the more I have learned about what has been going on as far as money received, you know, he wasn't very truthful with me, so I feel not so inclined to want to keep up the relationship, even though I wanted to stand behind someone in a time of trouble. I felt he didn't treat me or others properly.

Secondly, with the ongoing controversy in these investigations, I don't want to be in a position where I am going to constantly be asked about conversations I have with the guy, here or anywhere else.

Question. When you had those conversations, did you tell Mr. Hubbell you felt he hadn't been truthful with you?

Answer. Webb has said that, he said I am in denial, I was terrible, I exposed one of my closest and dearest friends who tried to help me through this whole ordeal and what I did was wrong. I mean, he has no excuse and he has misrepresented a lot about himself, and Webb is a very appealing guy. He is a very thoughtful, likable person. He is a terrific father, you know, there are many, many endearing qualities about Webb. And he has acknowledged that he simply wasn't facing up to the facts of what he had done and he is now accountable for them and he put a lot of his friends in the situation of great disruption, expense, embarrassment and the like, like me.

Question. Now——

Answer. What can you say when he says that, you know.

Question. Well, you had indicated, apparently sometime at or around, when the Safire article appeared in October of 1996, that you had a discussion with him say-

ing he hadn't made that kind of money. He said he wished he made about half of that, which would have been about $125,000?

Answer. Mind you, this was just a slant passing reference, then we went on to something else. We didn't discuss it. It was something like, boy, I wish I would have made that much.

Mr. JOSEPH. I want to object. That is not at all accurate as to what the testimony is. The transcript will read what it is.

EXAMINATION BY MS. COMSTOCK:

Question. When you reference—when you were both talking about that article, was it your impression that he was saying he did not make anything like what was represented in the article?

Answer. Something to that effect. Or he wished he would have made some amount of money, something like that. And I didn't ask him what he made, he didn't tell me, I don't know what he made.

Question. And at that time, I am trying to understand the progression of when he is sort of doing these mea culpas to you, if they are ongoing as new facts coming out or if there is some point where he told you everything that he had been misrepresenting to you to date, or if this is still an ongoing process with Mr. Hubbell?

Answer. I have not spoken to him for a considerable period of time. I guess I am giving you an impression of various conversations with him over time, in prison and the few times I have seen him out of prison.

Question. And in these conversations, did he indicate to you where he—other than bringing people into things, because of, you know, whatever connection they had to him, did he indicate any remorse for acts that he had done that had caused that to happen?

Answer. Which acts?

Question. That he had misrepresented something. I mean, you gave him a $45,000—your fund, in your recommendation, gave him that $45,000 grant; is that correct?

Answer. It turned out I did. I didn't plan on it that way.

Question. And you are still out $35,000 gathering interest at this point?

Answer. That is correct.

Question. Now, that had nothing to do with any of these investigations or anything that you gave him, that grant or anything like that; is that correct?

Mr. JOSEPH. When you say he——

Ms. COMSTOCK. The fund gave him the grant.

Mr. JOSEPH. At the time—.

The WITNESS. I'm not clear of the question.

EXAMINATION BY MS. COMSTOCK:

Question. Let me back up. The fact that Mr. Hubbell reneged on his agreement with you——

Answer. With the fund.

Question. With the fund?

Answer. Okay.

Question. And that you ended up personally paying for that, he has expressed remorse to you about that he failed to live up to those commitments; is that correct?

Answer. Yes.

Question. And that he is not blaming others for that action?

Answer. No.

Question. Do you know if your wife continues to be in touch with Mr. Hubbell?

Answer. She does not.

Question. Are you aware of any contact that Webster Hubbell had with Charlie Trie at any time?

Answer. No.

Question. All right. Your wife recently interviewed Charlie Trie; is that correct?

Answer. No.

Question. Or Mr. Ng Lap Seng?

Answer. No.

Question. There was a report that she did on the news recently about Mr. Ng Lap Seng; is that correct?

Answer. Right.

Question. She has not met with Mr. Ng Lap Seng?

Answer. No.

Question. Do you know the circumstances——

Mr. JOSEPH. I object to these questions. These are way off the charts. If you can connect these to the investigation.

Ms. COMSTOCK. If we can connect Charlie Trie or Ng Lap Seng to the investigation.

Mr. JOSEPH. Connect his knowledge about his wife.

EXAMINATION BY MS. COMSTOCK:

Question. I am asking if you have any knowledge about how your wife, any knowledge that you have, whether it came from your wife or others, about Mr. Trie or Mr. Ng Lap Seng being interviewed on ABC news?

Answer. She did not interview them. They were interviewed by some producers in China who work for ABC. She just packaged the piece and put it on the air.

Question. Do you have any knowledge as to where Mr. Trie is in China?

Answer. No.

Question. You can't assist the committee in any way in finding Mr. Trie?

Answer. I think she said in her report, if I remember, he was listed in a hotel under his right name in Beijing, so it wouldn't be hard to find.

Question. Well, the State Department apparently has been having trouble, but ABC news is apparently doing a little bit better. But to your knowledge, do you have any knowledge of Mr. Trie was ever introduced to you or your wife at any time by Mr. Hubbell?

Answer. Never.

Question. Have you ever met John Huang?

Answer. No.

Question. Do you have any knowledge about John Huang or any of his fund-raising activities?

Answer. Other than what I read in the press, no.

Question. Other than what you have read in the press?

Answer. No.

Question. Were you aware of Mickey Kantor helping Mr. Hubbell's son get a job?

Answer. Well, I am aware of reports to that effect. I don't know—I don't know what he did. I don't think he did much, from what I understand.

Question. Did you ever have any discussions with Mr. Kantor about that?

Answer. I mean, we know his son, Walter. We both know him. I think we have known Walter since he was 10 or 12 years old. I guess it is just generally the fact that someone would help a son——

Mr. JOSEPH. What is the pending question?

Ms. COMSTOCK. His knowledge of Mickey Kantor assisting Mr. Hubbell's son.

Answer. I don't have any knowledge of what Mr. Kantor did to assist.

Question. Do you have any knowledge of how Mrs. Hubbell came to get a job at the NTRA department?

Answer. No.

Question. Did Mr. Hubbell ever tell you at any time that his law firm was going to be filing any additional charges against him in the past couple of years?

Mr. JOSEPH. What time frame?

Ms. COMSTOCK. In the past couple of years.

EXAMINATION BY MS. COMSTOCK:

Question. Has he ever told you in the past couple of years of any still outstanding charges the firm might file against him?

Answer. I think there was some time ago, some question about how to resolve remaining issues on the expense items, yes. I vaguely remember something about that. He was still trying to work things out with his firm.

Question. And has his attorney ever been in touch with you about various matters as to the consumer support and education fund?

Answer. No.

Question. I'm sorry, if I could return a little bit to your last conversations last time you met, did you leave things—how were things left? What were the discussions you had in your last meetings with him?

Answer. Well, I had lunch with him, a sandwich at the cafeteria where he was working. I can't recall specifics about it. It was just general, how his life has been, that for him it has been a very lonely, difficult time. He is pretty isolated.

Question. Have you been in touch with Mrs. Hubbell at all during that time frame?

Answer. No.

Question. Okay. I believe that is all I have at this time.

Mr. JOSEPH. If you could wait one second.

EXAMINATION BY MR. JOSEPH

Question. Mr. Phillips, I have very few questions for you, I wanted to thank you on behalf of the Democratic members of the committee for the amount of time you have given today to have to answer questions from about 10:00 a.m. to, I guess, now it is 2:00 p.m., without even a lunch break.

There are just very few questions that Representative Condit, who is on the committee, has asked us to ask all the witnesses who are being deposed, and then we will let you go. And really, they are just yes or no questions is all that is required.

Question. Have you been asked——

Ms. COMSTOCK. I object, the witness can answer more than he wants to yes or no, that is his decision.

EXAMINATION BY MR. JOSEPH:

Question. Have you been asked by any other official investigative body to testify or provide evidence on any of the fund-raising or other matters being investigated by this committee?

Answer. Yes.

Question. Have you provided documents to, been interviewed by or given a deposition to the Senate Governmental Affairs Committee, Department of Justice or Independent Counsel, Ken Starr?

Answer. Independent Counsel, Ken Starr.

Question. Have any requests for information by this committee overlapped with the requests by other investigative bodies?

Answer. Yes.

Question. Have you provided documents, information or testimony to this committee that you have previously provided to other investigative bodies?

Answer. Yes.

Question. Have you received any requests to provide documents to be interviewed or deposed in the future by any other investigative body?

Answer. No.

Question. Can you estimate how much of your time you have spent in responding to requests from this committee for testimony and information or documents?

Answer. Well, 4 or 5 hours in preparation for this over the last several weeks, plus today.

Question. And any additional time with regard to testimony, information or documents prior to preparation for this deposition?

Answer. You mean other than this committee.

Question. No, for this committee, but with regard to the producing of documents?

Answer. No, that is pretty much it.

Question. Okay. Have you taken time from your job in responding to the matters of the committee?

Answer. Yes.

Question. Have you or your employee incurred expenses in responding to the demands from this committee?

Answer. Yes.

Question. Has this committee offered to reimburse you for your time or your expenses?

Answer. I haven't submitted a bill yet. No, no, they haven't.

Question. Would you seek reimbursements from the committee for your expenses related to this investigation?

Answer. If there is a mechanism available, I will utilize it.

Mr. JOSEPH. Mr. Phillips, thank you very much.

The WITNESS. You're welcome.

Ms. COMSTOCK. I had a few more questions.

EXAMINATION BY MS. COMSTOCK:

Question. Has Mr. Hubbell—I think we established earlier Mr. Hubbell has not fully repaid the $45,000. Has he offered to reimburse you for any cost you have incurred as a result of any of these matters that have been investigated?

Answer. No.

Question. All right. And I think we have gone over this, I just want to double check. Is there anybody else besides Mr. Cardozo and Mr. Berman that you discussed Mr. Hubbell's employment, as well as other consulting arrangements that he had——

Mr. JOSEPH. We have been here for 4 hours.

The WITNESS. I don't know what more I can add.

EXAMINATION BY MS. COMSTOCK:

Question. Other than the people you have testified to, are there others you discussed his——

Answer. His employment?

Question. Any employment that he had.

Answer. Not that I can recall.

Ms. COMSTOCK. Okay. Thank you. We can go off the record.

[Whereupon, at 2:08 p.m., the deposition was adjourned.]

[The exhibits referred to follow:]

Consumer Support and Education Fund
1055 West Seventh Street, 24th Floor
Los Angeles, California 90017

Board of Trustees
Peter Bullett
Leonard Jacoby
Robert S. Wolfe, Chair

April 7, 1994

Webster H. Hubbell
3843 MacComb Street,
Washington, DC 20016

Re: Distinguished Public Servant Fellowship

Dear Mr. Hubbell,

I was very pleased to have the opportunity to speak to you recently on the telephone and to learn of your interest in communicating to a larger forum your insights, experiences and recommendations about the value of public service in the current political environment.

We at CSEF are a California public benefit corporation which was initially funded from proceeds from the settlement of major class action suit involving California consumers. Our mission is to fund projects which increase public awareness of consumer issues and which promote the effectiveness of public and private institutions.

Our Articles of Incorporation state:

1. The specific and primary purpose for which this corporation is created, is, among other things, to support the interests of consumers through a wide range of approaches which may include the dissemination of consumer information, establishment of a consumer complaint center or clearinghouse, establishment of fellowships for work on consumer issues in academic or other settings, and participation in administrative hearings, legislative advocacy or litigation.

2. The corporation may aid, support and assist, by grants, contributions or otherwise, other corporations, trusts, community chests, funds and

EXHIBIT
1

foundations duly organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3), or for the promotion of social welfare within the meaning of Section 501(c)(4) and not organized or operated for profit or the private gain of any person."

There is no greater "consumer" issue than the value of the services received by the American public from their public officials.

Your interest parallels our recent discussions at CSEF about establishing a public service fellowship to enable persons who have recently left government service to take a hard look at their experience before they again immerse themselves in private life. We would hope to contribute to the public discourse by sponsoring a series of articles to make constructive policy recommendations based upon actual, practical experience.

We would hope that such an article or articles would be published in a journal or newspaper of wide public circulation or among particularly affected groups like academics, journalists, public officials, businesspeople and public interest organizations.

We envision such a fellowship under the following terms and condition:

(1) a project for the duration of three months or its equivalent over time,

(2) a monthly stipend of $15,000 (which sum would include all necessary expenses for office and travel, etc.),

(3) less any payments actually received from any journal or periodical in which the article is published.

(4) periodic reports (perhaps monthly) on the scope and progress of the fellowship work.

You mentioned on the telephone that you have a particular interest in encouraging citizen participation in government and in enhancing the image in which public service is held.You are in an outstanding position, given your recent service at the Justice

Consumer Support and Education Fund

Department to contribute your insights and judgment. Certainly, any submissions by you would garner widespread visibility and would advance our purposes of promoting national debate and dispelling unfounded cynicism about public life.

We look forward to any written response from you which should contain a formal proposal, including any suggestions or modifications which you may have to better serve the above-described purposes. Assuming this letter and your reply set forth acceptable terms, the board anticipates a prompt response to act upon the proposal.

I will be in Washington, D.C. from approximately April 18 through April 26 of this month. Should your schedule permit, I and possibly some other board members would be delighted to personally meet with you to further discuss these matters with you.

You may call me at (213) 891-9100, ext. 333 if you have any further questions or if I can be of any additional assistance.

Again, I am very pleased to have spoken with you and to have the opportunity on behalf of CSEF to work with you in the future.

Very truly yours,

CONSUMER SUPPORT & EDUCATION FUND

Robert S. Wolfe

RSW/lo

1215 19th Street, N.W.
Washington, D.C. 20036
Tel: 202-429-1780***Fax: 202-429-0025

April 12, 1994

Mr. Robert S. Wolfe
Consumer Support and Education Fund
1055 West Seventh Street
24th Floor
Los Angeles, California 90017

Distinguished Public Service Fellowship

Dear Mr. Wolfe:

Thank you for your letter of April 7 following on our telephone conversation of last week. I would be pleased to accept a fellowship based on the terms and conditions outlined in your letter. This opportunity would enable me to reflect on my experience in public life while sorting out the direction I should take in the private sector.

As suggested in your letter, I would propose the following:

1. The project's duration be for three months or its equivalent over time. The project could be extended by mutual agreement of the parties.

2. I would receive a monthly stipend of $15,000 (which sum would include all necessary expenses for office, travel, etc.)

3. The monthly stipend would be reduced or reimbursed by payments actually received from any journal or periodical in which articles are published.

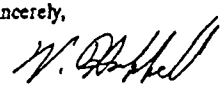
4. I will provide monthly progress reports to the Fund on the scope and progress of the work.



Although the scope and direction of the project is just beginning to be developed, I would envision, that at least the project would include the development of a series of articles encouraging public service despite the intense personal scrutiny an individual must endure during this time. I envision drawing on my own personal experience from my initial days at the Department of Justice until my departure. So much emphasis has been placed on the negative aspects of public service I believe that I can through a series of articles articulate the positive aspects of public service, while being realistic about the realities of public service today. Other ideas that should be explored as part of the project are the regional impediments to public service in Washington and whether the President's new 5 year ban on lobbying places significant new limitations on public service.

I hope this letter response is sufficient for the Board to consider this proposal. I would welcome the opportunity to visit you and other Board members next week to further discuss this and other matters. If you need further information please call.

Sincerely,



Webb Hubbell

WH/kds

MINUTES OF MEETING OF BOARD OF DIRECTORS OF

CONSUMER SUPPORT AND EDUCATION FUND

April 13, 1994
(Via Telephone Conference Call)

Pursuant to written waiver of notice and consent to holding of special meeting as required by Article II, section 11 of the corporation's Bylaws, signed by all the directors and filed in the corporate Minute Book, the Board of Directors of Taxpayers Against Fraud convened on April 13, 1994, at 2:15 p.m. PST, via telephone conference call. The following directors were present:

Robert S. Wolfe, chair
Dr. Peter Budetti
Leonard Jacoby, Esq. was absent but forwarded his proxy to the chair.

John R. Phillips, Esq. participated in his role as counsel to the board.

The board adopted the minutes from the previous meeting of December 4, 1993.

Mr. Wolfe presented the attached financial summary prepared by the Fund's accountant, Michael K. Geraghty, which reflected the funds on hand and which reflected a current cash balance of the fund of $635,400.00.

Dr. Budetti notified the board of his desire to be placed on inactive status due to a prospective legislative assignment in the field of health care reform. Dr. Budetti moved the nomination of Tracy Westen to serve as a new board member. Dr. Budetti's motion was seconded by Mr. Wolfe and adopted by the board.

Mr. Wolfe presented a proposal to the board involving the initiation of a distinguished public service fellowship to enable persons who have recently left government service to write a series of articles about their governmental experiences and to make specific policy recommendations on such public service. The board members reviewed correspondence between Mr. Wolfe and Mr. Webster H. Hubbell, who recently had left governmental service with the United States Department of Justice Department. The board specifically discussed a proposal which had been submitted by Mr. Hubbell.

Mr. Wolfe informed the board that Mr. Jacoby had discussed the Hubbell proposal with him and that he had expressly tendered his proxy to consent to the proposal.



Upon motion by Mr. Wolfe, the board agreed to award Mr. Hubbell the Fund's first "Distinguished Public Service Fellowship" with the following provisions:

1. Mr. Hubbell shall prepare an article or series of articles on public service, which articles would draw from his own personal experiences at the Department of Justice until his recent departure. Such an article or articles would make constructive recommendations about public service in the current political atmosphere and under the current regulations affecting public servants.

2. Mr. Hubbell shall use his best efforts to ensure that these articles receive widespread attention and circulation among affected groups such as academics, journalists, public officials, business people and public interest organizations.

3. The project shall be for a minimum of three months or its equivalent over time, with a possibility of an extension by mutual agreement between the board and Mr. Hubbell.

4. Mr. Hubbell shall receive a monthly stipend of $15,000, which sum would include all necessary expenses for office, travel, etc.

5. Mr. Hubbell shall reimburse the Fund for any payments which he actually received from any journal or periodical in which the articles were to be published.

6. Mr. Hubbell shall provide monthly progress reports to the Fund about the scope and progress of his work.

Mr. Wolfe reported to the board about discussions which he had with Timothy Geraghty and Diane Geraghty about consolidating the Fund's bookkeeping and accounting tasks with a single outside service. Such a consolidation would promote efficiency and, according to the accountants, could be accomplished at no increased expense to the Fund. The board authorized Mr. Wolfe to arrange for a transfer of such functions to the Fund's current accountants.

With deep regret, the board accepted Dr. Budetti's request for a leave of absence and placed Dr. Budetti on inactive status until January 1, 1995. Dr. Budetti will not participate in any board activities or decisions during that time, but will rejoin the board on January 1, 1995 and resume his functions through the end of his term.

The meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Robert S. Wolfe

Consumer Support and Education Fund
1066 West Seventh Street, 24th Floor
Los Angeles, California 90017

Board of Trustees
Peter Budetti
Leonard Jacoby
Robert S. Wolfe, Chair

April 15, 1994

Webster H. Hubbell
3843 MacComb Street,
Washington, DC 20016

Re: Distinguished Public Servant Fellowship

Dear Mr. Hubbell,

The board of Consumer Support & Education Fund met on April 13, 1994. Among other items on the agenda was the conferral of our first "Distinguished Public Service Fellowship." In this connection, the board discussed and considered our recent correspondence, including the detailed proposal in your letter of April 12, 1994.

I am extremely pleased to inform you that the board accepted your proposal under the terms and conditions as outlined in your letter.

We look forward to your continuing contribution to public service through the series of articles which you intend to write. We also look forward to the process of working with you on these articles in whatever capacity we can serve.

We will be contact with you shortly to discuss any necessary logistical details and to get this venture underway.

Again, our warmest regards on what we hope will be a very satisfying experience for you and for the larger audience to which you will speak.

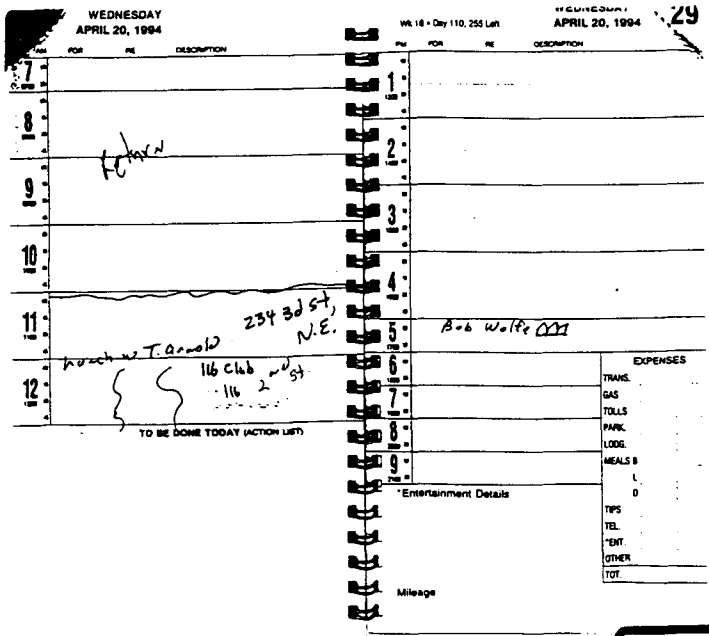
Very truly yours,

CONSUMER SUPPORT & EDUCATION FUND

Robert S. Wolfe

EXHIBIT 4

19598



GRO 000295

EXHIBIT 5

CITY NATIONAL BANK

(310) 477-5061

APR.29,1994

OLYMPIC PLAZA OFFICE

ACCOUNT NUMBER [redacted]

TAX ID [redacted]

CONSUMER SUPPORT AND
EDUCATION FUND
10951 WEST PICO BLVD.3RD. FL.
LOS ANGELES, CA. 90064

FA 99 E
I 5
S-0026815

NEED A HOME MORTGAGE LOAN?
TIME TO REFINANCE?
AT CITY NATIONAL, IT'S AS EASY AS ONE, TWO, THREE.
PLEASE SEE YOUR MORTGAGE LOAN REPRESENTATIVE FOR DETAILS.

MONEY MARKET INVESTMENT ACCT. BUSINESS

CREDITS:	REFERENCE OR DEPOSIT NUMBER	DATE POSTED	AMOUNT	REFERENCE OR DEPOSIT NUMBER	DATE POSTED	AMOUNT
	953	04-07	12,000.00			
AUTOMATIC CREDITS:						
	CNB INVESTMENTS SAFEKEEPG				04-04	550,000.00
	CNB INVESTMENTS SAFEKEEPG				04-11	550,000.00
	CNB INVESTMENTS SAFEKEEPG				04-18	550,000.00
	CNB INVESTMENTS SAFEKEEPG				04-25	550,000.00
	INTEREST				04-29	167.79

DEBITS:	REFERENCE OR CHECK NUMBER	DATE PAID	AMOUNT	REFERENCE OR CHECK NUMBER	DATE PAID	AMOUNT
	1041	04-27	15,000.00			
AUTOMATIC DEBITS:						
					04-05	549,741.58

CONSUMER SUPPORT AND EDUCATION FUND
10951 W. PICO BLVD. 3RD FL.
LOS ANGELES, CA 90064

1041

16-1605/1220

April 25, 1994

PAY TO THE ORDER OF Webster H. Hubbell $ 15,000.00

Fifteen Thousand and no/00******** DOLLARS

OLYMPIC PLAZA OFFICE
CITY NATIONAL BANK
11300 W. Olympic Blvd.
Los Angeles, California 90064

FOR Monthly Stipend per Board 04/13/94

[redacted]

⑈001500000⑈

EXHIBIT
6

WEBSTER HUBBELL

1215 19TH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 429-1780
FAX (202) 429-0025

May 18, 1994

Mr. Robert S. Wolfe
Consumer Support and Education Fund
1055 West Seventh Street, 24th Floor
Los Angeles, California 90017

Distinguished Public Service Fellowship

Dear Bob:

I write to give you a progress report on the scope and progress of my work. I also again thank you and the Board for this opportunity. This chance to take a hard look at my public service experiences before I am immersed in private life is extremely valuable. I hope through the planned series of articles it will also be of considerable value to the public.

Over the past month I have been able to accomplish the following:

1. I assembled and organized my papers, notes, reports and other documents from the Justice Department.

2. I am recreating a written history of my public service and the issues I faced and the value I received from each service.

3. I am assembling documentation of perceived "impediments" to public service such as the legal and ethical restrictions on individuals after they leave federal service.

4. I have started a series of interviews of individuals who joined or considered joining the Clinton Administration. I have also been assembling articles that have been written by individuals about why they left public service. For example, Senator Boren just wrote an article on why he was leaving the U.S. Senate to be President of the University of Oklahoma.



5. I have started outlining and writing somewhat random thoughts and ideas about public service with the hope that I will be able to assemble these thoughts into the planned series of articles.

I have also been exploring what we discussed earlier the concept of regional impediments to public service in Washington. I hope to give you a more definitive report on this next month. In the next month I hope to accomplish the following:

1. To develop a chronology of my work at the Justice Department and begin to organize and document my recollection of certain historic events.

2. To complete my history of public service and to start to analyze how certain significant issues I dealt with have evolved today.

3. Complete the assembly of documentation of legal impediments to public service.

4. To continue my series of interviews of people in the Clinton Administration, and to expand the interviews to other administrations.

5. To complete the outlines of the series of articles and to at least have rough drafts of the articles.

6. To visit with potential sources of publication of these articles to discuss format, etc.

7. To begin to formulate constructive policy recommendations based on mine and other's experiences.

I look forward to visiting with you soon on this project, and as we discussed I would be pleased to come visit with you about the scope and its progress. Should you have any questions please call, and again thank you and the Board for this rewarding opportunity.

Sincerely,

Webb Hubbell

WH/kds

004913

Consumer Support and Education Fund
515 So. Figueroa St., 15th Floor
Los Angeles, California 90071
(213) 624-6900

Board of Trustees
Leonard Jacoby
Tracy Westen
Robert S. Wolfe, Chair

May 20, 1994

Webster H. Hubbell
1215 19th Street, N.W.
Washington, DC 20036

Re: Distinguished Public Servant Fellowship

Dear Webb,

Thank you very much for your progress report on your fellowship and the contribution you are making to the public dialogue on government service. Pursuant to the agreement with the CSEF board, I am enclosing a check for the second installment of the monthly stipend.

On a personal note, I successfully navigated a change in my law firms and have now joined with two of my good friends, Steve Manning and John Marder in a new venture which we are going to call "Manning, Marder & Wolfe." After six weeks, we have twenty attorneys and are still growing. For your information, I'm enclosing an article which recently appeared in the "California Law Business" about our firm. (I'm the anonymous partner who was quoted at my former firm.)

Your letter alludes to the possibility of a visit. I strongly reiterate your invitation to stay at my Manhattan Beach house. Please feel free to take me up on it. Were such a visit in the cards, we'd greatly appreciate if you'd have an opportunity to stop by our law firm to share some of your experiences with our attorneys. I think you'd find us an energetic lot who would be a good audience and who would take much from the experience.

I'm glad that this is working well for you and I look forward to seeing you again in the very near future. Best regards to your family.

Sincerely,

Bob Wolfe



CITY NATIONAL BANK

(310) 477-5061

MAY 31,1994

OLYMPIC PLAZA OFFICE

ACCOUNT NUMBER [redacted]

TAX ID [redacted]

CONSUMER SUPPORT AND
EDUCATION FUND
10951 WEST PICO BLVD.3RD. FL.
LOS ANGELES, CA. 90064

FA 99 E
3 5
5-0025974

NEED A HOME MORTGAGE LOAN?
TIME TO REFINANCE?
AT CITY NATIONAL, IT'S AS EASY AS ONE, TWO, THREE.
PLEASE SEE YOUR MORTGAGE LOAN REPRESENTATIVE FOR DETAILS.

MONEY MARKET INVESTMENT ACCT. BUSINESS

CREDITS:	REFERENCE OR DEPOSIT NUMBER	DATE POSTED	AMOUNT	REFERENCE OR DEPOSIT NUMBER	DATE POSTED	AMOUNT
	954	05-10	3,412.06			
AUTOMATIC CREDITS:						
	CNB INVESTMENTS SAFEKEEPG				05-02	550,000.00
	CNB INVESTMENTS MONEY MKTS				05-05	140.28
	CNB INVESTMENTS MONEY MKTS				05-05	550,000.00
	INTEREST				05-31	501.02

DEBITS:	REFERENCE OR CHECK NUMBER	DATE PAID	AMOUNT	REFERENCE OR CHECK NUMBER	DATE PAID	AMOUNT
	1042	05-04	5,000.00	1047	05-20	2,500.00
	1046*	05-24	15,000.00			
AUTOMATIC DEBITS:						

CONSUMER SUPPORT AND EDUCATION FUND
10951 W. PICO BLVD. 3RD FL.
LOS ANGELES, CA 90064

1046

May 18 19 94

PAY TO THE ORDER OF Webster N. Hubbell $ 15,000.00

Fifteen Thousand and 00/100 DOLLARS

OLYMPIC PLAZA OFFICE
CITY NATIONAL BANK
11500 W. Olympic Blvd.
Los Angeles, California 90064

FOR 2nd Monthly Stipend

[redacted] [redacted] [redacted]

/000150000/

EXHIBIT 9

CITY NATIONAL BANK

(310) 477-5061

JUN.30,1994

OLYMPIC PLAZA OFFICE

ACCOUNT NUMBER [redacted]

CONSUMER SUPPORT AND
EDUCATION FUND
10951 WEST PICO BLVD.3RD. FL.
LOS ANGELES, CA. 90064

FA 99 E

TAX ID [redacted]

5 6
5-0026024

NEED A HOME MORTGAGE LOAN?
TIME TO REFINANCE?
AT CITY NATIONAL, IT'S AS EASY AS ONE, TWO, THREE.
PLEASE SEE YOUR MORTGAGE LOAN REPRESENTATIVE FOR DETAILS.

MONEY MARKET INVESTMENT ACCT. BUSINESS

AUTOMATIC CREDITS:		DATE POSTED	AMOUNT
CNB INVESTMENTS	SAFEKEEPG	06-17	550,000.00
INTEREST		06-30	79.60

DEBITS: REFERENCE OR CHECK NUMBER	DATE PAID	AMOUNT	REFERENCE OR CHECK NUMBER	DATE PAID	AMOUNT
1043	06-13	1,594.00	1050M	06-28	15,000.00
1044	06-06	5,000.00	1052M	06-22	5,376.40
1048M	06-14	1,198.00			

AUTOMATIC DEBITS:
CNB INVESTMENTS MONEY MKTS 06-17 550,000.00

1050

CONSUMER SUPPORT AND EDUCATION FUND
10951 W. PICO BLVD. 3RD FL.
LOS ANGELES, CA 90064

June 18 19 94

PAY TO THE ORDER OF Webster Hubbell $ 15,000.00

Fifteen Thousand and 00/100 DOLLARS

OLYMPIC PLAZA OFFICE
CITY NATIONAL BANK
11300 W. Olympic Blvd.
Los Angeles, California 90064

FOR Monthly Stipend (#1)

⑈[redacted]⑈ ⑆[redacted]⑆ [redacted]⑈ ⑈000150000⑈

EXHIBIT
10

THE NEW YORK TIMES OP-ED MONDAY OCTOBER [illegible] A17

Essay

WILLIAM SAFIRE

The Asian Connection

WASHINGTON

On April 12, 1993, Associate Attorney General Webster Hubbell received a call from the Indonesian businessman James Riady, a former client, and the Arkansas lawyer and Clinton golfing partner Mark Grobmyer. Both men had, a month before, been seen in Indonesia's East Timor, a human-rights hellhole.

Hubbell's log shows Riady called again the next day, this time from the Washington number 456-2684. That is the Office of Presidential Personnel, then supervised by Bruce Lindsey, Clinton confidential aide.

James Riady is the son of Mochtar Riady, the ethnic Chinese at the head of the Lippo Group, a $6 billion conglomerate with great commercial and political influence throughout Asia.

Clinton, Hubbell and the Riadys.

Both Hubbell and Clinton knew the Riadys well. During the 1980's, the Riadys held an interest with the Little Rock financier Jackson Stephens in the Clinton-friendly Worthen Bank, which retained lawyer Webster Hubbell.

During the 1992 race for President, James Riady and his wife overtly contributed close to $200,000 in "soft money" to the Democratic campaign. The Democratic finance chairman, Marvin Rosen, tells me he was informed that Riady employee John Huang "helped a lot in raising money in '92."

The Riadys were then able to boast of placing their man in a position of influence in the Clinton Administration. Mr. Huang, 46, was named Deputy Assistant Secretary of Commerce for International Economic Policy. Just before taking this job, Mr. Huang was paid almost a million dollars in salary, bonus and severance from the Lippo Group, $788,750 from Hip Hing Holdings, operator of a parking lot in Los Angeles owned by the Riadys.

Mr. Huang left the Commerce Department late last year to become a vice chairman of the Democratic Finance Committee. President Clinton praised "my longtime friend John Huang" on July 22, 1996, for "his Aggressive is putting it mildly. Three months before, the Riadys' man Huang introduced Mr. Clinton to a South Korean magnate who made a $250,000 contribution to the Democrats through a subsidiary of a South Korean corporation.

Such a contribution is clearly against the law, which finance chief Rosen admits; only when The Los Angeles Times began asking about it was the quarter million hastily given back. Thus, for the first time, a President of the U.S. was personally involved in the solicitation of a major illegal contribution, but the Democratic Finance Committee has not had one call on this from the Federal Election Commission.

If foreigners want to slip U.S. politicians "soft money," the best conduit is a U.S. citizen or a resident alien. One of the largest Democratic contributions — $425,000 — is from an Indonesian gardener named Arief Wiriandinata, a green-card holder no longer in the U.S., whose wife's father helped run several Lippo ventures for the Riadys.

The Riadys gained much face in Indonesia in 1993, helping the Clinton Administration lose interest in labor abuses in East Timor; in 1994, as an Asian conference was to be held in Indonesia's capital, they were eager to impress China's leaders with their American influence. Again they turned to Webster Hubbell.

By that time, the Associate Attorney General who had loyally kept Whitewater files hidden in his basement had quit Justice because he was about to be indicted for defrauding law clients. Who would hire a man facing ruination at a time when his silence was golden to the Clintons?

The Riadys did. I'm told that between resignation and indictment, a Lippo affiliate paid Hubbell over $250,000. He went to Indonesia for them in October 1994.

One month later, at a conference in Jakarta, Indonesia, that included China's Jiang Zemin, President Clinton surprised U.S. Embassy officials by holding a private meeting with James Riady. This duly impressed Asian leaders who put great weight on connections in high places.

Clinton's foreign contributors are coming through for him in this campaign. Does Hubbell, his lip zipped in jail, expect to be sprung before his time? Will he then be made financially whole by the Clinton Asian connection? "Nobody's promised me a damn thing," the felon insisted at a

EXHIBIT 11

WEBSTER HUBBELL

1215 19TH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 429-1780
FAX (202) 429-0025

September 12, 1994

Robert S. Wolfe, Esq.
Manning, Mader & Wolfe
515 South Figueroa Street
15th Floor
Los Angeles, California 90071

Distinguished Public Service Fellowship

Dear Bob:

I write to give you a further progress report on the scope and progress of my work. I want to continue to thank you and the Board for the opportunity for me to take a hard look at my public service experience and give me time before I got immersed in private life to reflect on public service and where I should devote my energies in the future. I have been able to complete the following tasks as part of the fellowship.

1. I have completed my assembly and organization of my papers, notes, reports and other documents from the Justice Department.

2. I have created a chronological history of my public service at the Justice Department and a chronology of my public service prior to joining the Justice Department. I have also focused on some of the issues I faced and the value I received from each service.

3. I have completed the assembling of the documentation of perceived impediments to public service such as legal and ethical restrictions on individuals after they leave federal service.

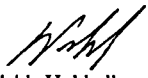
4. I have completed interviews of certain individuals who joined or considered joining the Clinton Administration. I have also continued to assemble articles that have been written by individuals about why they left public service. I hope to be able to interview Jean Hanson and Roger Altman because of their visible involvement in the Clinton Administration and the last congressional hearings to get their thoughts and ideas.



5. I have finally prepared a rough draft of an outline for a series of four articles. I have rough drafted the first three. I hope to complete the fourth and then to have you and others look at rough drafts for comments. Once those rough drafts and outlines are completed I also hope to begin to discuss with you and others the possibility of the most appropriate forum for publication.

I still owe you a trip to California to discuss this and other issues. I look forward to hearing from you.

Sincerely,



Webb Hubbell

WH/kds

WEBSTER HUBBELL

1215 19TH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 429-1780
FAX (202) 429-0025

November 18, 1994

Robert Wolfe, Esq.
Manning, Marder & Wolfe
515 S. Figueroa Street
15th Floor
Los Angeles, California 90071

Distinguished Public Service Fellowship

Dear Bob:

This letter will provide you a further update on my work as part of my public service fellowship. First of all I again thank the Foundation Board for its support and this opportunity. I have fully been able to complete my work of assembling, cataloguing all my files, interviews with other public servants, research into historical figures, etc. necessary to write a series of articles on why people should enter public service. More importantly, this fellowship allowed me time to think about where I wanted to go in the future and how to get there. An abrupt departure from public life can cause confusion and missteps unless there is help from foundations like yours.

Although I have spent more than the equivalent of three months of time toward this entire project, it is still incomplete. I continue to work on the ultimate product of this fellowship -- the publication of a series of articles on why I still believe that my public service was worth the price. The project is incomplete for two reasons, first - continued calls for further congressional inquiry testimony, etc. as well as the work of the Special Prosecutor continues to evolve the story. I do believe it will become more interesting. I also believe that the continued development of the story will make it more interesting and more likely to be published. Of less importance has been my indecision about the format that the articles should take. I am finally set on the format, but would appreciate your thoughts. I have enclosed the draft of the introductory article.

EXHIBIT
13

Again, although the final product is not complete and I have spent more than 3 months to finish the article, it will be more interesting and will accomplish the initial goals of the fellowship. The Board has my assurance that I will continue to work on this project until completion.

Please call or write with your thoughts.

Sincerely yours,

Webb Hubbell

WH/kds
Enclosure

004918

Phillips & Cohen
Attorneys at Law
21 Dupont Circle, N.W., Suite 300
Washington, D.C. 20036

(2) 833-4567

Telecopier
(202) 833-1815

Dec 14, 1995

to: Jim Geraghty
From: John R Phillips
Re: Repayment to CSEF $45,000 Grant Made to W. Hubbell

Please apply the enclosed Check of $45,000 toward the repayment of Grant to Wall Hubbell per my previous letter to Bud Wolf.

JOHN R. PHILLIPS [redacted] 3-93 2459

DATE Dec 14, 1995 [redacted]

PAY TO THE ORDER OF Consumer Support + Education Fund $ 45,000 00

forty five and no/100 DOLLARS

CRESTAR
Crestar Bank N.A.
Washington, DC

MEMO Repayment of Grant

[redacted]

EXHIBIT 14

[redacted] 415) 765-9301

This FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code.

If to be filed with Recorder of Deeds indicate Tax Parcel No.(s) _____
No. of additional sheets presented. _____

PARTIES	PARTIES
Debtor (or Assignor) and mailing address:	Secured Party(ies) and address:
Suzzana W. Hubbell [redacted]	John R. Phillips [redacted]
Debtor (or Assignor) and mailing address:	Assignee (if any) of Secured Party(ies) and address:

This statement is filed without the Debtor's signature to perfect a security interest in collateral (check X in applicable box(es))
- ☐ Already subject to a security interest in another jurisdiction when it was brought into this State.
- ☐ Already subject to a security interest in another jurisdiction when the Debtor's location changed into this State.
- ☐ Which is proceeds of the original collateral described below in which a security interest is perfected.
- ☐ Acquired after a change of name, identity or corporate structure of Debtor.
- ☐ As to which the filing has lapsed.

By: _____
Signature of Secured Party(ies)
(required only if item is checked)

Special Types of Parties (check X in applicable box(es))
- ☐ The terms "Debtor" and "Secured Party" mean "Lessee" & "Lessor"
- ☐ The terms "Debtor" and "Secured Party" mean "Consignee" and "Consignor"
- ☐ Debtor is a Transmitting Utility.
- ☐ Debtor acting in representative capacity (e.g., as trustee).

Filed With:

Prepared By (Name and Address):

☐ Check to request Continuation Statement notice for additional fee.

This Financing Statement covers the following types (or items) of property: Check only if applicable: ☐ Products of collateral are also covered.

10 lithographs
1 woodcut
3 serigraphs
1 painting by K. Dahmen
1 etching by J. Friedlaender
1 Gorman ceramic vase
3 silk screens
1 book containing 4 etchings by T. McKnight

If the collateral is crops, the crops are growing or to be grown on the following described real estate:

If the collateral is (a) goods that are or are to become fixtures; (b) timber to be cut; or (c) minerals or the like (including oil and gas) or accounts resulting from the sale thereof at the wellhead or minehead, the description of the real estate concerned is (check X in applicable box(es))

☐ Fixtures ☐ Timber ☐ Minerals or accounts resulting from sale thereof at wellhead or minehead

And this Financing Statement is to be filed in the real estate records where a mortgage on such real estate would be recorded. If the Debtor does not have an interest of record, the name of a record owner is:

By: Suzzana W Hubbell
Signature of Debtor (or Assignor) Title

By: _____
Signature of Debtor (or Assignor) Title

District of Columbia, ss

Subscribed and sworn to before me this 16th day of February 19 96

C. Goodman
Notary Public my com. Exp 5-31-99

EXHIBIT 15

PROMISSORY NOTE

$ 45,000.00

December 14, 1995
Washington, District of Columbia

FOR VALUE RECEIVED, Webster L. Hubbell ("Maker") promise to pay to the order of John R. Phillips ("Payee"), at [redacted] or such other place as the holder hereof shall designate in writing to Maker, the principal sum of Forty-Five Thousand Dollars ($45,000.00), plus accrued interest as herein specified, on or before December 14, 1996. This Note may be prepaid at anytime without penalty or charge.

The outstanding principal balance hereof shall bear interest prior to maturity at seven percent (7%) per annum. Interest shall be payable at maturity. All past due principal and interest shall bear interest at the maximum rate permitted by applicable law to be charged for past due principal and interest.

If total or partial default be made in the payment of any installment of principal or interest under this note, as the same matures, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

The Maker, endorsers, sureties, guarantors, and all other persons now or hereafter liable hereon, waive presentment, demand for payment, protest and notice of dishonor, and consent that the owner or holder hereof shall have the right without notice, to deal in any way at any time (and from time to time) with any party hereto or to grant to any such party any extension(s) of time for payment of any of the indebtedness or any other indulgences or forbearances whatsoever, without in any way affecting the personal liability of any party hereunder.

If this obligation, after default, is placed in the hands of an attorney for collection, the maker and all other parties liable hereunder will be obligated to pay the holder hereof a reasonable attorney's fee not to exceed ten percent (10%) of the outstanding principal and accrued interest.

This Note is given and received as evidence of the indebtedness recited herein and not in satisfaction thereof. This is the Promissory Note referred to in the Security Agreement executed by the undersigned of even dated herewith naming Makers as Debtor and Payees as the secured party, and this Note is secured thereby.

This Note shall be governed by and construed in accordance with the laws of the District of Columbia and the applicable laws of the United States of America.

Webster L. Hubbell by Suzanna W. Hubbell
his attorney-in-fact

SECURITY AGREEMENT

This AGREEMENT is made this 14th day of December 1995, between Webster L. Hubbell, (herein called the "Debtor"), an Arkansas resident currently residing at [redacted] and John R. Phillips (herein called "Phillips"), District of Columbia resident with offices at [redacted]

To secure the payment of an indebtedness now and from time to time outstanding under a Promissory Note of even date herewith and interest thereon (herein collectively called the "Obligations"), the Debtor hereby grants and conveys to Phillips a security interest in and mortgages to Phillips all of the Debtor's right, title, and interest in and to the Debtor's works of art more particularly described on Schedule A attached hereto (herein collectively called the "Collateral").

1. **THE DEBTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS:**

A. To pay and perform all of the Obligations secured by this Agreement according to their terms.

B. To defend the title to the Collateral against all persons and against all claims and demands whatsoever, which Collateral is lawfully owned by the Debtor and is now free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes, and assessments.

C. On demand of Phillips to furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this Agreement and execute any instrument or statement required by law or otherwise in order to perfect, continue, or terminate the security interest of Phillips in the Collateral.

D. To retain possession of the Collateral during the existence of this Agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage, or otherwise dispose of same without the written consent of Phillips, except such property held in inventory by the Debtor for sale or resale in the ordinary course of business for such consideration representing, in the opinion of the Debtor, the full value of such property.

E. To keep the Collateral free and clear of all liens, charges, encumbrances, taxes, and assessments other than liens in favor of Phillips.

F. To pay, when due, all taxes, assessments, and license fees relating to the Collateral.

G. To keep the Collateral, at the Debtor's own cost and expense, in good repair and condition and available for inspection by Phillips at all reasonable times.

2. GENERAL PROVISIONS:

A. Waiver of or acquiescence in any Default by the Debtor, or failure of Phillips to insist upon strict performance by the Debtor of any warranties or agreements in this Agreement, shall not constitute a waiver of any subsequent or other Default or failure.

B. Notices to either party shall be in writing and shall be delivered personally or by mail, postage and fees prepaid, addressed to the party at the address herein set forth or otherwise designated in writing. Telex, telegraph, or facsimile transmissions will not be deemed delivered in any event.

C. The Uniform Commercial Code in effect in the State of Arkansas shall govern the rights, duties, and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provision of this Agreement.

D. The following shall constitute a default by the Debtor ("Default"):

1. Failure to pay when due the principal of or interest on any indebtedness outstanding pursuant to the Note or the performance of any obligation thereunder or under any instrument provided for therein.

2. Failure by the Debtor to comply with or perform any provision of this Agreement.

3. False or misleading representations or warranties made or given by the Debtor in connection with this Agreement.

4. Subjection of any item of the Collateral to levy of execution or other judicial process.

5. Commencement of any insolvency proceeding by or against the Debtor which shall not have been stayed or dismissed within sixty (60) days.

6. Any reduction in the value of the Collateral or any act of the Debtor which imperils the prospect of full performance or satisfaction of the Debtor's obligations herein.

E. Upon any Default of the Debtor and at the option of Phillips, the Obligations secured by this Agreement shall immediately become due and payable in full without notice or demand. In such event, Phillips shall have all the rights, remedies, and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds therefrom as are accorded to secured parties by the applicable sections of the Uniform Commercial Code. The Debtor hereby authorizes and empowers Phillips, with the aid and assistance of any person or persons, to enter any place or places where the Collateral is or may be placed, and to take and carry away all or part of the Collateral.

Upon any Default and upon demand, the Debtor shall assemble the Collateral and make it available to Phillips at the place and at the time designated in the demand. In addition, the Debtor shall pay Phillips's reasonable attorneys' fees and the legal and other expenses for the enforcement of this Agreement and for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral. The Debtor shall remain liable for any deficiency resulting from a sale of the Collateral and shall pay any such deficiency forthwith on demand.

If the Debtor shall default in the performance of any of the provisions of this Agreement on the Debtor's part to be performed, Phillips may perform the same for the Debtor's account. Any money expended in so doing shall be chargeable with interest to the Debtor and added to the indebtedness secured hereby.

F. Phillips is hereby authorized to file Financing Statements.

G. The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives and assigns.

H. The Debtor will pay all costs and expenses in connection with the preparation, execution and enforcement of this Agreement and the documents provided for herein, all fees of recording and filing and all taxes (including penalties and interest, if any, assessed thereon) payable in connection therewith, and will pay the reasonable fees of counsel for Phillips.

I. This Agreement and the documents provided for herein shall be governed by, and construed in accordance with, the laws of the District of Columbia.

J. The proceeds of any sale of any of the Collateral shall be applied as follows:

1. FIRST. To the payment of the costs and expenses of such sale, including a reasonable compensation to agents and attorneys of Phillips, and all charges, expenses, liabilities and advances incurred or made by Phillips to the payment of all taxes, assessments or liens, if any, prior to the lien of this Security Agreement, except any taxes, assessments or liens subject to which such sale shall have been made;

2. SECOND. To the payment of the whole amount then due and unpaid for principal and interest upon the Obligations of Debtor; and

3. THIRD. The surplus, if any, shall be paid to the Debtor, its successors or assigns, or to whoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

K. In the event that any provision in this Agreement shall be subject to an interpretation under which it would be void or unenforceable, that provision shall be construed so as to constitute a valid and enforceable provision to the fullest extent possible. In the event that it cannot be so construed, it shall be deemed deleted and separable from the other provisions of this Agreement, which shall remain in full force and effect.

EXECUTED as of the date and year first above written.

By: Webster L. Hubbell by Suzzana W. Hubbell his Attorney-in-fact

John R. Phillips

ACKNOWLEDGMENT

DISTRICT OF COLUMBIA)

On this ~~14th day of December 1995,~~ 16th day of February 1996 before me, a Notary Public, duly commissioned, qualified and acting, within and for the County and State aforesaid, appeared in person Suzzana W. Hubbell, attorney-in-fact for Webster L. Hubbell, to me personally well known who stated that she had signed, executed, and delivered the foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 14th day of December 1995.

NOTARY PUBLIC

My Commission Expires:

5-31-99

SCHEDULE A TO SECURITY AGREEMENT

Corneille "Un Reve Vegetal," an original lithograph, signed and numbered by the artist, from an edition of 100, this piece is noted 46.	$500.00
Carol Summers "Inside the Palace a Bow to India," a suite of 6 woodcuts, signed and numbered by the artist, from an edition of 200, this piece is noted 112.	$2000.00
Will Barnet "Girl At the Piano," an original color serigraph, signed and numbered by the artist, from an edition of 200, this piece is noted 200. Published in 1973.	$2500.00
Edward Gokol "Apple Orchard at Night," an original lithograph, signed and numbered by the artist, from an edition of 300, this piece is noted 153. Published in 1979.	$500.00
Karel Appel "Sunshine People," an original color lithograph, signed and numbered by the artist, from an edition of 110, this piece is noted 75. Published in 1974.	$1800.00
K. Dahmen "Poet Cherall," signed and numbered by the artist, from an edition of 75, this piece is noted 58. Published in 1979.	$800.00
Johnny Friedlaender "Images in a Garden," an original etching and aquatint, signed and numbered, from an edition of 135, this piece is noted 85.	$750.00
Michel Delacroix "Cosi Fan Tutte," an original color lithograph, signed and numbered by the artist, from an edition of 200, this piece is noted 114. Published in 1989.	$2750.00
R.C. Gorman "Sisters," an original hand-painted ceramic vase, signed and numbered by the artist. Executed in 1984.	$2200.00

Thomas Hart Benton — $3000.00
" Slow Train Through Arkansas," an original lithograph, signed by the artist and numbered from an edition of 250.

Will Barnet — $1800.00
"Winter," an original color serigraph, signed and numbered by the artist from an edition of 120, this piece is noted 59.

Karel Appel — $1800.00
"Passion Flower," an original color silk-screen, signed and numbered by the artist, from an edition of XXV, this piece is noted XIV.

Grant Wood — $5000.00
"Seed Time and Harvest," an original lithograph, signed by the artist, and numbered from an edition of 250. Executed in 1937.

Nicola Simbari — $1800.00
"Lavino," an original color silk-screen, signed and numbered by the artist, from an edition of 300, this piece is noted 244. Published in 1980.

Will Barnet — $1800.00
"Persephone," an original colored silk-screen, signed and numbered by the artist, from an edition of 200, this piece is noted P.P.

Alexander Calder — $1500.00
"Homage to the Sun," an original lithograph, signed and numbered by the artist, from an edition of 150, this piece is noted A.P.

Mihail Chemiakine — $1500.00
"Carnival," an original color lithograph, signed and numbered by the artist, from an edition of 300, this piece is noted 238.

Ilya Bolotowsky — $800.00
"Untitled," an original color serigraph, signed and numbered by the artist, from an edition of 125, this piece is noted 5.

SCHEDULE A TO SECURITY AGREEMENT

1-007-8

Thomas McKnight "A Vision of Earthly Happiness," a deluxe book, with four original hand-colored etchings, signed and numbered by the artist, from an edition of 175, this piece noted 86.	$2300.00
R.C. Gorman "Woman with Pink Shawl," an original color lithograph, signed and numbered by the artist, from an edition of 175, this piece is noted 52. Published in 1977.	$1850.00
Joan Miro "Album III," an original color lithograph, signed and numbered by the artist, from an editin of LXXX, this piece noted as XXX.	$2500.00

WEBSTER HUBBELL
3843 MACOMB ST., NW
WASHINGTON, DC 20016

Robert S. Wolfe
Manning, Marder, and Wolfe
515 South Figuero Street
15th Floor, Los Angeles, California 90071

Re: Distinguished Public Service Fellowship

Dear Bob:

I apologize for not communicating earlier. As you are aware I was under severe restrictions in my communications for the last seven months. I was also prohibited from communicating or publishing anything in the media until my period of cooperation with the independent counsel was completed.I hope you and the other trustees understand. The prohibition is now over and I fully intend to complete the work I set out to do. I have asked my wife to copy the box of documents that have been produced to date and send them to you. I will begin with the free time I have to complete the pieces we have previously discussed. If I can provide you anything further please don't hesitate to let Suzy know and she will get word to me.

Sincerely,



Webb Hubbell



004923

STEVEN C. MANNING
JOHN A. MARDER
ROBERT S. WOLFE
DENNIS B. KASS
ANTHONY J. ELLROD
EUGENE P. RAMIREZ
JONATHAN A. ROSS*
MARTHA A. SHEN
KATHLEEN A. KELLEHER*
BARRY A. BRADLEY
DAVID B. MORIBAKI
PHILIP L. SOTO
CARNEY R. SHEGERIAN
KEVIN E. COVENTON
NANCY S. CALLE
PATRICIA M. SCOLES

MILDRED K. O'LINN
TINA M. ALLEGUEZ
THOMAS B. GILL
PAMELA B. HICKS
LAWRENCE B. ESTEN
ERWIN A. NEPOMUCENO
BARRY G. THORPE
ALFRED M. DE LA CRUZ
JAMES URBANIC
JOSEPHINE M. CHOW

OF COUNSEL
WILLIAM J. LOPSHIRE
GERALD F. PHILLIPS*

* ALSO ADMITTED IN NEW YORK
† ALSO ADMITTED IN OHIO AND TEXAS

MANNING & MARDER & WOLFE
ATTORNEYS AT LAW

45TH FLOOR AT FIRST INTERSTATE TOWER
707 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 624-6900
FACSIMILE: (213) 624-6999

2-012

ORANGE COUNTY OFFICE
19900 MACARTHUR BLVD
SUITE 1450
IRVINE, CALIFORNIA 92715
TELEPHONE: (714) 724-4532
FACSIMILE: (714) 724-4575

WASHINGTON D.C. OFFICE
3243 ALVARADO ST. N.W.
WASHINGTON D.C. 20008
TELEPHONE: (202) 833-2323
FACSIMILE: (202) 833-1815

September 6, 1995

Phillips & Cohen
John R. Phillips, Esq.
Mary-Louise Cohen, Esq.
21 DuPont Circle N.W.
Washington, D.C. 20036

Mike Geraghty, Tim Geraghty
Geraghty & Geraghty
21550 Oxnard Blvd., Third Floor
Woodland Hills, CA 91367

Re: Consumer Support & Education Fund
Consumer Protection Fund

Attached for your records are the following:

(1) A letter from Webb Hubbell regarding his fellowship;

(2) My response to Webb Hubbell's letter;

(3) A proposal from Tracy Westen about a proposed grant to the Center for Government Studies for two separate grants — one for $50,000 and a second for $25,000 — to allow the establishment of the Democracy Network.

(4) My letter to the CPF/CSEF Board members about the Westen proposal.

Best regards,

Bob Wolfe

EXHIBIT 17

004922

MANNING & MARDER & WOLFE
ATTORNEYS AT LAW
45TH FLOOR AT FIRST INTERSTATE TOWER
707 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 624-6900
FACSIMILE: (213) 624-6999

2-014

September 6, 1995

Webster Hubbell
3843 MaComb Street NW
Washington, DC 20016

Re: Consumer Support & Education Fund Fellowship

Dear Webb

Thank you for your progress report regarding the fellowship. Your letter indicates that your wife will forward us a copy of the documents which you have produced to date and will send them to us.

Please note that my address has changed. Your letter was written to me at "515 South Figueroa Street." My law firm's new address, as indicated above, is: "707 Wilshire Boulevard, 45th Floor, Los Angeles, CA 90017."

We understand the severe constraints under which you have operated over the last seven months given your agreements with the special counsel. We are hopeful that your experiences will only deepen the insight and perspective which you will give to the problems confronting highly talented individuals like yourself who enter public service. At your earliest possible convenience, I would greatly appreciate a timetable from you about when we can expect your article or articles, and your thoughts about the journal or periodical where we might expect to see them published.

I look forward to hearing from you in the near future.

CONSUMER SUPPORT &
PROTECTION FUND

Robert S. Wolfe

00424

EXHIBIT
18

Phillips & Cohen
Attorneys at Law
21 Dupont Circle, N.W., Suite 300
Washington, D.C. 20036

(202) 833-4567

Telecopier
(202) 833-1815

2-015

December 7, 1995

Robert S. Wolfe, Esq.
Manning, Marder & Wolfe
707 Wilshire Blvd.
45th Floor
Los Angeles, CA. 90017

Re: Consumer Support and Education Fund

Dear Bob:

As you know, I have been in discussions with Webb Hubbell regarding his committment to write a series of articles on government service. At the time the grant was given to Mr. Hubbell, the Board believed that he was a distinguished public servant who could write a compelling and eduactional series discussing the price and perils of public service. However, once the Independent Counsel's actions concerning Mr. Hubbell were reported last fall, it became clear that he could not and would not be able to meet his committment with the Fund in a timely fashion and that his selection as a grant recipient was unfortunate.

In the discussions we have had about Mr. Hubbell's failure to complete the project, we have grappled with how to bring closure to this issue. I made a personal committment to the Fund that I would repay the grant given to Mr. Hubbell if he had not delivered on his committment or repaid the amount by the end of 1995.

Mr. Hubbell is not in a position to return the grant now, nor would filing suit against him result in any recovery. Therefore, I will repay the $45,000 to the Fund myself before the end of the year, as I committed to do last year, and I will look to Mr. Hubbell to repay me once he is in a position to do so.

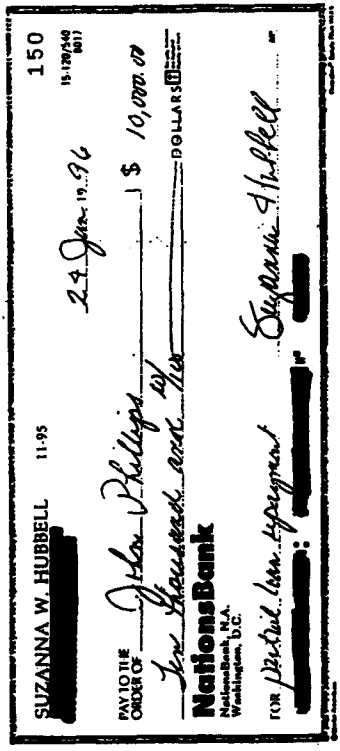
Sincerely,

John R. Phillips

cc: Michael Geraghty

EXHIBIT
19

004925



SUZANNA W. HUBBELL 11-95 150

[redacted]

24 Jan 19 96 15-120/540 8017

PAY TO THE ORDER OF John Phillips $ 10,000.00

Ten thousand and 00/100 DOLLARS

NationsBank

NationsBank, N.A.
Washington, D.C.

FOR partial loan repayment Suzanna Hubbell

[redacted] : [redacted] [redacted]

EXHIBIT 20

John Phillips
Attorney at Law
21 Dupont Circle, N.W.
Washington, D.C. 20036

Dear John:

You have told me that you intend to reimburse the Trust Fund the $45,000 Fellowship I received. As we discussed, I am unable to fully complete the parameters of the project as outlined and thus you feel obligated to make the fund whole. I want to assure you and commit to you to repay to you this amount as soon as I am able. I regret that you have had to take such actions on my behalf. If I can provide you any further information or documentation please do not hesitate to contact me.

Sincerely,

Walt Whalen



Webster and Suzanne Hubbell
3843 Macomb Street NW
Washington, DC 20016

January 24, 1996

John R. Phillips
3120 Woodland Drive, NW
Washington, D.C. 20008

Dear John:

This letter supplements the promisory note my husband, Webb Hubbell, sent to you in November 1995 to pay you $45,000 in return for your repaying an outstanding financial obligation of his. While Webb is in prison, I am legally empowered to handle all of his business matters.

Webb agrees to pay you $45,000 with interest at 7% per annum with such interest accruing from December 14, 1995. Please credit the enclosed check of $10,000 drawn on our personal funds as a first payment toward meeting this obligation.

We are now in the process of liquidating some personal assets to repay this debt in its entirety by March 31, 1996. Our house is currently on the market, and we hope to sell it soon. In the event the liquidation of our personal assets does not generate funds sufficient to pay Webb's debt to you, we will apply any excess funds (after payment of all closing costs) we may realize from the sale of our house to make up the shortfall. Alternatively, if our house has not sold by May 31, 1996, and there is still money owed to you by Webb, we will give you a trust deed on our house to be payable upon sale. Lastly, we will not further encumber our house until the obligation to you is fully satisfied.

Sincerely,

Suzanne

Suzanne Hubbell on behalf of
Webster Hubbell



Ex-Clinton Official Failed to Return L.A. Group's Funds

■ **Finances:** A friend repays $45,000 grant after Webster Hubbell does not fulfill obligations. He is in prison in a federal case.

By DAN MORAIN
and SARA FRITZ
TIMES STAFF WRITERS

SACRAMENTO—A few months before he pleaded guilty to mail fraud and tax evasion, former Associate Atty. Gen. Webster Hubbell received a $45,000 grant from a nonprofit group in Los Angeles to write articles and speak about the pitfalls of public service.

But Hubbell, a close friend of President Clinton and a former law partner of First Lady Hillary Rodham Clinton, never produced any writings and has not repaid the money.

The nonprofit Consumer Support and Education Fund began paying Hubbell in spring 1994, after Hubbell, then the third-highest-ranking official in the stice Department, quit his job in rch of that year. The organization disclosed the payment in its 1994 income tax return filed with the California attorney general in Sacramento.

The little-known nonprofit organization was established in 1990 to further various consumer and political reform causes. Endowed with proceeds from a class-action lawsuit brought by the Center for Law in the Public Interest, the organization has about $700,000 in assets.

Much of its effort has focused on funding litigation to enforce Proposition 103, the 1988 initiative that sought to cut auto insurance rates 20%, though it has given modest grants to California Common Cause and Handgun Control.

John W. Nields Jr., Hubbell's Washington lawyer, declined to comment on the grant.

Hubbell's failure to repay the $45,000 payment is the latest example of his money troubles and his willingness to draw on political contacts to shore up personal finances. He is serving a 21-month federal prison term for misusing $482,410 in his partners' and clients' money from his days at Rose Law Firm in Little Rock.



Associated Press

Ex-Associate Atty. Gen. Webster Hubbell at 1993 confirmation hearing.

Hubbell was short on cash after he left the Justice Department. But the Los Angeles-based fund's payment was not Hubbell's only source of money after he left the agency.

Beginning in September 1994, the city

Please see HUBBELL, A18

190900

HUBBELL: $45,000 Grant

Continued from A3

of Los Angeles paid the Arkansas lawyer $24,750 for three months to lobby the Clinton administration to ensure that the federal government would permit Los Angeles to transfer $58 million in airport funds to city coffers.

After The Times disclosed Hubbell's deal with the city, Common Cause charged that Hubbell appeared to be trading on his relationship with Clinton. City Atty. James Hahn attacked the arrangement because Hubbell was hired without a written contract.

In its 1994 tax return, the Consumer Support and Education Fund described the $45,000 payment as a "fellowship grant to [Hubbell] to prepare an article or series of articles on public service drawing on his personal experience at the Department of Justice. Articles will be disseminated to the public."

In interviews, Robert L. Wolfe, president of the consumer fund, and lawyer John Phillips, who recommended Hubbell as a worthy recipient, said Hubbell failed to tell them about the magnitude of his legal troubles when they agreed to give him the money.

Phillips decided two months ago that because he had recommended Hubbell, he would personally repay the $45,000, "to protect the integrity of the fund."

"I have a note from him, and he says he will pay it back," said Phillips, who still considers Hubbell a friend. "It's embarrassing, and I certainly wish it never had occurred. . . . I hope I'll get repaid by the spring. [Hubbell] is just sick about the whole thing."

Phillips co-founded the Center for Law in the Public Interest in Los Angeles, is a past chairman of California Common Cause and worked to create the Los Angeles city ethics panel. To further various consumer and political reform causes, Phillips also helped found the Consumer Education and Support Fund with proceeds of a settlement from a class-action lawsuit he brought in the 1980s.

Phillips and Wolfe said the idea behind the Hubbell grant was to pay a former government official to write reflective articles about the difficulties of public service, given the scrutiny that sometimes befalls public officials.

Phillips had met Hubbell soon after Clinton took office and Hubbell emerged as one of the most visible Arkansas natives in the Clinton administration. At Phillips' suggestion, Hubbell and Wolfe conferred in Washington in April 1994.

"I thought he was perfect," Wolfe said, citing Hubbell's resume: former chief justice of the Arkansas Supreme Court, ex-mayor of Little Rock and a good friend of Vince Foster, the close Clinton friend and advisor who committed suicide.

By December 1994, however, Hubbell had pleaded guilty to mail fraud and tax evasion in connection with overcharging the Rose Law Firm and clients on his expense accounts and had agreed to cooperate with the Whitewater independent counsel. He began serving a 21-month sentence in federal prison in August.

Recalling the news accounts of Hubbell's mounting legal difficulties in 1994, Phillips said: "Obviously, Hubbell had major problems that he didn't disclose. It got worse and worse. This turned out to be a disastrous decision. He turned out to be one of the worst candidates. Nobody would be interested in what he would write."

Wolfe said Hubbell wrote an apologetic letter last year explaining his failure to write the articles or contact him, saying the independent counsel had gagged him. Wolfe said Hubbell still wanted to produce some writings. By then, Wolfe had little interest.

Phillips and Wolfe said no one in the Clinton administration suggested that they help Hubbell find employment.

"It was very innocent the way it came about," Wolfe added. "I doubt there's anyone in the Clinton administration who would know he got this grant."

Morain reported from Sacramento and Fritz from Washington.

000092

THE CURRENT IMPLEMENTATION OF THE INDEPENDENT COUNSEL ACT VOLUME 2

HEARINGS

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

DECEMBER 9 AND 10, 1997

Serial No. 105–89

Printed for the use of the Committee on Government Reform and Oversight

