

Mature

**SCREENED**  
By SP Date 5/15/00

SP 2

4/11/00

OIC Routing Slip

Date \_\_\_\_\_

To: IC, Starr

X AC Busing

Subject: \_\_\_\_\_

Att.:

- Insp. Barrett
- SSA Irons
- SSA Frazier
- SAS Brazeal
- Rotor \_\_\_\_\_
- SA \_\_\_\_\_
- FA \_\_\_\_\_
- Computer Support
- OIC, WDC
- Ms. Alexander
- Mr. Bryck
- Ms. Farnam
- Ms. Gershman
- SA \_\_\_\_\_
- Data Entry \_\_\_\_\_
- Document control
- T & A (Ms. Beard)

FOIA(b)7 - (C)

- Acknowledge
- Assign
- Bring file
- Call me
- Correct
- Deadline
- Delinquent
- Discontinue
- Expedite
- File
- Schedule Interview
- For Information
- Handle
- Initial & return
- Leads need attention
- Mark for indexing
- Prepare Lead cards
- Prepare tickler
- Recharge  serial
- Send to \_\_\_\_\_
- Return assignment card
- Return file  serial
- \_\_\_\_\_
- Return with action taken
- Return with explanation
- Search and return
- See me
- Type
- Prepare Bulky Green Sheet
- Bates Stamp

2/3

Hick,

This is what I was talking about earlier today in Steve's office.

Ed L

From: \_\_\_\_\_

## Depositions, Interviews Hint at Foster's Worries

### *Ethics May Have Troubled White House Lawyer*

By Susan Schmidt  
Washington Post Staff Writer

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

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

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

In addition to Foster's death, an aspect of Starr's probe that recently has come to light is an examination of Bill Clinton's gubernatorial campaigns in Arkansas from the 1980s through 1990 and allegations that Clinton campaign workers gave thousands of dollars in cash to black ministers with the understanding they would endorse Clinton and get out the vote. White House senior ad-

viser Bruce Lindsey has defended the practice, calling the cash payments "traditional, legal and publicly reported."

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

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

In the months before his death, Foster and others in the White House counsel's office had been accused of trying to gin up charges against seven longtime travel office workers to make room for Clinton cronies, even going so far as calling the FBI in to investigate the employees.

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

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

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

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

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

One key question that Hubbell may be able to answer is whether Foster knew about the Resolution Trust Corp.'s 21-page request for a criminal investigation of Madison Guaranty Savings & Loan that languished for months at the Justice Department. The referral outlined a suspected check-kiting scheme, naming both Clintons as potential witnesses and suggesting the 1984 Clinton campaign committee be investigated.

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

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

dence that Whitewater matters played any role.

But wild conspiracy theories suggesting that Foster was murdered or his body was moved have abounded since the suicide.

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

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

A top RTC official testified last summer that in March 1993—two months into the new administration—he briefed then-Deputy Treas-

ury Secretary Roger C. Altman about the Clintons' being named in the Madison criminal investigation. Altman testified he didn't recall that briefing, but White House documents turned over to the Senate show that he immediately had old news clippings on Madison faxed to Nussbaum. Nussbaum testified that he did not recall getting the material or being told by Altman about the Madison probe.

Foster completed work on the Whitewater tax returns in June. Madison appeared on his screen in another way around this time, when his office got letters from Arkansas' two senators questioning the RTC's treatment of former Madison insider Seth Ward. In early July, Foster told Nussbaum he would have to recuse himself from handling those congressional inquiries. Ward was Hubbell's father-in-law, he said, and Rose had done work for the RTC.

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

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

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

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

Foster called him the week before his death, Lyons told the FBI, and asked if Lyons could be available to come to Washington "on short notice." Lyons said he could. He told the FBI that "Foster was anticipating further investigation on the Travelgate issue and he was considering asking Lyons to be his personal attorney."

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

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

In his interview, Clinton was asked whether anyone questioned whether it was appropriate for Foster to be working on personal matters for the Clintons. Clinton said no one had. Clinton said, in fact, that he was not even sure he was ever told Foster was working on the Whitewater tax returns.

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

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

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# The Washington Post

DATE: 1-30-95

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## Whitewater Probe Includes Variety of Principals, Issues

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

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

The investigation was initially undertaken by Robert B. Fiske Jr., a special prosecutor named by Attorney General Janet Reno because the independent counsel law had lapsed. When the law was reinstated, a three-judge panel replaced Fiske with Starr.

Among the areas of investigation:

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

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

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

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

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

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

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



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PAGE: 10-A

**WHITewater PROBE:** The White House is defending giving cash to draw black voters to the polls in Bill Clinton's 1990 gubernatorial campaign. "The Clinton-for-governor campaign was mindful of its obligations under the law and attempted to fully comply with those duties," White House adviser Bruce Lindsey said. He was treasurer of Clinton's 1990 campaign. *U.S. News & World Report* says investigators for Whitewater prosecutor Kenneth Starr are examining claims Clinton campaign workers gave cash to black ministers to endorse Clinton and get out the vote. The Rev. Famous Smith in West Memphis, Ark., told *The Washington Post* the FBI questioned him about a \$500 payment he got in 1990 to bring out the vote.