Case Number: 2006-1066-F.

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TRANSCRIPT OF PROCEEDINGS

UNITED STATES SENATE

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COMMITTEE ON THE JUDICIARY

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INTERVIEW OF M. DENNIS SCULIMBRENE

* * *

Washington, D. C.

June 19, 1996

MILLER REPORTING COMPANY, INC.
507 C Street, N.E.
Washington, D.C. 20002
(202) 546-6666

the head of the military office.

Mr. Larkin. I want to do one thing real quick. Can I get a phone number where I can give you a call later?

Mr. Sculimbrene. 754-4265. That is my home number.

Mr. Larkin. And where do you live at?

Mr. Sculimbrene. 1521--

Mr. Larkin. Well, no.

Mr. Sculimbrene. 703.

Mr. Larkin. Area code is what I meant to say.

Mr. Hubbard. Now, you said Craig Livingstone had this job because who wanted him to have the job?

Mr. Sculimbrene. Mrs. Clinton is apparently a friend of Craig's mother.

Mr. Yoo. Mrs. Clinton is a friend of Craig's mother?

Mr. Sculimbrene. Yes. And that is why Bill Kennedy told me he was stuck with Craig.

Mr. Larkin. What do you think his background and expertise is to getting him in a high-profile job like that?

Mr. Sculimbrene. Craig's?

Mr. Larkin. Yes.

Mr. Sculimbrene. Now, mind you, I did his background now. So I--

Mr. Larkin. I don't want to get into this. As a matter of fact, I won't even ask it.

Mr. Yoo. Let me ask you, though, do you have any--do

you remember any conversations where you were told that Mr. Livingstone got the job because he was connected with Mrs. Clinton?

Mr. Sculimbrene. Yes. Kennedy told me that.

Mr. Yoo. Bill Kennedy told you that?

Mr. Sculimbrene. Yes, because Kennedy asked me whether we should keep him.

Mr. Yoo. Do you remember what was said? Do you remember the exact words?

Mr. Sculimbrene. No. The exact words, no. The word "stuck" stays--the word "stuck" sticks in my mind; that he was stuck with him.

Mr. Yoo. Do you remember when you talked to him?

Mr. Sculimbrene. Yes. This was a month or two into the administration when we were looking for somebody to take over Jane Dannenhauer's job, and like I said, I had gone to Bill Kennedy proposing Jackie Dinwiddie as a candidate, and I thought why not.

Mr. Larkin. A Democrat.

Mr. Sculimbrene. Here is a Democrat who worked on the campaign, worked on the transition, honest, you know, trustworthy. The Bureau had worked with her in the past. Perfect candidate, but do they pick her? No.

Mr. Larkin. You know, under what circumstances did this occur, the conversation?

Mr. Sculimbrene. It could have possibly been during the conversation when I went to Bill Kennedy to talk to him about, you know, an employee or maybe during Bill Kennedy's own background investigation when I went to interview him about his own case, but I did have a number of interviews with--you know, here is the standard practice up there.

You know, you go in and you do your job, and then, you know, like everything else, well, what did you do this weekend, you know, and we lapsed into personal, private conversations, and that is what happened to--that is when the subject of Jackie Dinwiddie came up. That is when I interjected my belief that it would help the administration, it would help the FBI to have an employee who had previous experience there, and certainly she had the credentials for the job, but I was told by Kennedy that he was stuck with Livingstone and that was the end of it.

Mr. Yoo. How did he refer to Mrs. Clinton in your conversation?

Mr. Sculimbrene. How did he refer to her?

Mr. Yoo. Yes.

Mr. Sculimbrene. Do you mean like what words did he use? Whatever he said, I took it to mean the First Lady.

Mr. Yoo. Okay.

Mr. Sculimbrene. The First Lady or Hillary.

Mr. Yoo. When he said that Mrs. Clinton--that Craig

had to be--that he was stuck with Craig because of his connection to the First Lady, do you remember the exact words he might have used?

Mr. Sculimbrene. No. Like I said, the only word that really sticks out in my mind is the word "stuck."

Now, mind you, whether it is true or not, I mean, I don't know for a fact. I don't know whether for a fact that Craig Livingstone's mother--for all I know, Craig Livingstone may have told him that and he believed him.

Mr. Larkin. Your recollection is it had something to do with Craig's mother?

Mr. Sculimbrene. Mother, yes.

Mr. Larkin. Okay.

Mr. Hubbard. Now, when Mr. Kennedy made this statement, did he use either the name "Hillary Clinton" or "Hillary Rodham Clinton" or "the First Lady"? Did he designate her or did you infer from what he said that he was referring to Hillary?

Mr. Sculimbrene. Perhaps I inferred that he was talking about the First Lady, but I think I was correct in my inference.

Mr. Hubbard. And on what basis would you say that?

Mr. Sculimbrene. Well, why would he keep--why would he keep this person here that I don't think he personally liked? I don't think he thought he had the qualifications.

He knew--he knew of his--he knew of the problems in his background investigation. He asked me when I kind of refused to answer the question whether he should be hired there, and then when I tried to supply a new person, it seemed to me like--here, I will lay it right on his lap. Here is the perfect person to solve your problems, and the answer to that is, well, I really can't do it because you know who wants him there. Now, that is an inference. That is an inference.

Mr. Larkin. Did Craig ever make any reference to the fact of how he came there?

Mr. Sculimbrene. Yes. Now, Craig did tell me that his mother--

Mr. Larkin. Was what?

Mr. Sculimbrene. --knew Hillary Clinton.

Mr. Larkin. He said--

Mr. Sculimbrene. Yes, he did tell me that, but Craig told me several things that were not true.

Mr. Hubbard. Such as?

Mr. Yoo. Do you remember when he said that?

Mr. Sculimbrene. I don't--I am getting at the gray area here now.

Ms. Owens. No, no. You are fine there. If I lean forward, it is because he had mentioned derogatory in reference to Livingstone's file, and I am concerned

about--that reflects the results of an investigation when he said that there was derogatory, and I would just assume--

Mr. Larkin. And we will, like, strike that, okay, for the record.

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Mr. Larkin. We are trying. We are trying.

Mr. Hubbard. Can I follow up on this?

Mr. Yoo. What day did--do you remember when Mr. Livingstone made that comment to you about her mother?

Mr. Sculimbrene. This was during my several interviews with him in the process of doing his background investigation.

Mr. Hubbard. You said that he told you several things that you now know to be untrue. Can you tell us what they are?

Mr. Sculimbrene. Mr. Livingstone or Mr. Kennedy?

Mr. Hubbard. Mr. Livingstone.

Mr. Sculimbrene. Well, we are going to get into--

Ms. Owens. Are they in connection with the background investigation when he was interviewed?

Mr. Sculimbrene. Yes.

Mr. Larkin. We will pass.

Mr. Yoo. Can I ask just one or two questions? We are

U.S. Department of Justice

Federal Bureau of Investigation

Office of the General Counsel

Washington, D.C. 20535

July 19, 1996

Honorable William F. Clinger
Chairman
Committee on Government Reform
and Oversight
House of Representatives
Washington, D.C.

Dear Mr. Chairman:

I have been advised that you and Committee Counsel Barbara Olson visited the FBI yesterday for the purpose of reviewing the background investigation files of Craig Livingstone and Anthony Marceca. As you know, the FBI's investigations of Mr. Livingstone and Mr. Marceca were undertaken at the request of the White House and the results of the investigations were previously provided to the White House.

After your review of these files, I understand that you noted that neither of the summary memoranda reflecting the results of the FBI's investigation of Mr. Livingstone reflected certain specific information recorded as a result of the FBI's interview of Bernard Nussbaum, then Counsel to the President. You asked what the FBI's response would be if the White House requested any additional information from the file beyond the summary memoranda furnished.

As you know, the FBI conducts background investigations for various congressional committees and other government entities, including the White House. With regard to requests for background investigations from the Department of Justice, the Department of Energy, the Nuclear Regulatory Commission, and the Administrative Office of the U.S. Courts, the FBI provides the actual investigative reports. Only certain information is withheld, e.g., if an interviewee requests that his identity

be protected from disclosure outside the FBI. With regard to background investigations conducted for congressional committees and the White House, by agreement the FBI provides summary memoranda that synopsize the information in the underlying investigative reports. Since 1983, at the request of the White House, the FBI also attaches to the summary memoranda any FD-302s that reflect derogatory information. So, for example, the FBI's communication that provided the White House with the results of the remainder of the Bureau's investigation of Mr. Livingstone included an FD-302 reflecting the results of an interview with an individual who volunteered derogatory information. The summary memoranda are intended to address all the concerns of the client entity requesting the background investigation but if that client asks for additional information from the report, the FBI would provide the requested information subject to certain limitations, e.g., the interviewee specifically requests confidentiality.

You also expressed concern as to whether the information in Mr. Livingstone's files, particularly with regard to the record of the interview with Mr. Nussbaum, should be provided to the White House by the FBI. You indicated that you would want to know if the White House asked for or was provided that information and what the justification for providing it would be.

During the course of this or any other oversight investigation, the FBI works to cooperate fully with congressional committees as well as any other agencies or entities impacted by the inquiry. Our effort is to remain non-partisan ensuring that facts within our possession which are relevant to an inquiry are provided to affected entities to the extent that we are aware of such an interest.

When the FBI first learned from your staff that your Committee was interested in looking at the background investigative files of Mr. Livingstone and Mr. Marcaca, the files were reviewed to remove identifying information relating to third parties as well as third agency information. During this review, the information concerning the results of the interview with Mr. Nussbaum were identified. Because issues raised in Mr. Nussbaum's interview had been discussed in connection with the Committee's oversight investigation, it was determined that the Bureau had a responsibility to advise affected parties. Therefore, after arrangements were made for your staff to review the files, the Department of Justice, and then the White House,

were advised of the results of this review. As you will recall, we followed this procedure of full disclosure when we first located the White House request for Barnaby Brasseux's previous reports, which the Director advised you of personally on June 5, 1996. In that instance, as in others, you were advised of the information well in advance of any notice being given to the White House.

The minority staff of the Committee on Government Reform and Oversight have not asked for further details about the information in question. However, if they do so, the FBI will similarly advise them.

I hope this information is helpful to you. As the Director has advised you, the FBI wants to continue to cooperate fully with you in this matter. Please advise me if I can be of any other assistance.

Sincerely yours,

Howard M. Shapiro
General Counsel

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Mr. Larkin. We will pass.

Mr. Yoo. Can I ask just one or two questions? We are

STATEMENT OF WILLIAM KENNEDY

During my tenure as Associate Counsel to the President, I can state unequivocally that I never obtained, never directed anyone else to obtain, never disseminated or asked anyone else to disseminate any FBI background information for any person for any improper purpose whatsoever. Further, I have no knowledge of any other person associated with the White House of engaging in any improper use of information from FBI reports.

June 14, 1996

THE CHANGING STORIES OF AGENT SCULIMBRENE

- In an insert in Mr. Livingstone's FBI background investigation, Agent Sculimbrene reports of an interview with Bernard Nussbaum **in which Mr. Nussbaum purportedly said "Mr. Livingstone had come highly recommended to him by Hillary Clinton, who has known his mother for a longer period of time."** Congressional Record, Statement by Congressman Clinger, July 25, 1996 at H8520.

- "According to Mr. Sculimbrene, both **Mr. Kennedy and Mr. Livingstone told him that Mr. Livingstone's mother knew Mrs. Clinton, which seemed to explain his standing.** However, Mr. Sculimbrene said he has no independent knowledge of whether the two women actually knew one another and suggested that Mr. Livingstone may have made it up in an attempt to inflate his status or protect his job." Wall Street Journal, June 25, 1996.

- **[Q] Let me ask you, though, do you ... remember any conversations where you were told that Mr. Livingstone got the job because he was connected with Mrs. Clinton?**

  [A] Yes. Kennedy told me that.

  Testimony of M. Dennis Sculimbrene before the Senate Judiciary Committee, June 19, 1996.

- **[Q] In Mr. Livingstone's conversations** about his political background ... do you recall any specific stories that he might have told you ... as relevant to the kind of job he did at the White House Security Office?

  [A] Well, he claimed that his mother knew Hillary Clinton.

***

[Q] Is there any other information such as whether or not Mr. Livingstone's mother knew the First Lady that you heard from Mr. Livingstone but didn't put in his background investigation?

[A] I heard others tell me that that was the case; that he had told them that his mother knew Mrs. Clinton.

[Q] **And was that Bill Kennedy?**

[A] **Only by inference.**

Testimony of M. Dennis Sculimbrene before the House Government Reform and Oversight Committee, July 15, 1996.

RPTS COLCHICO

DCMN HERZFELD

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

In the matter of:	
WHITE HOUSE TRAVEL	DEPOSITION OF M. DENNIS SCULIMBRENE

Monday, July 15, 1996

Washington, D.C.

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 1:45 p.m.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Barbara Olson, Chief Investigator; Kristi, Remington, Investigator.

For MR. SCULIMBRENE:

RICHARD A. HAUSER, ESQ.
BAKER & HOSTETLER
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036

enjoy talking to people. I enjoy finding out what they think. And I don't necessarily want to agree with everyone. I enjoy having differences of opinion and having intellectual and intelligent conversations about those differences.

Q Did you find Craig Livingstone's political background and work, advance work, similar to Jane's political background?

A Absolutely totally 180 degrees opposed.

Q Can you explain what you mean by that?

A Well, Jane had worked in responsible positions for a number of different politicians in the past going back to Senator Murphy, I guess. Both she and her sister had worked on the Hill. She was a tremendous lady. I mean, in the greatest sense of the word. She had good manners. We had common interests in music. We both like jazz music. We both played the piano in our youth.

Q Did you find her to have political interests in running the office or looking at it as a political steppingstone?

A No. No. I remember having a conversation with Jane on a number of occasions that I thought the office should not have any political person and that it should be run by a bureaucrat, and she disagreed with me about that. But that's about as far as that went.

Q In Mr. Livingstone's conversations about his

political background, outside of his background investigation, do you recall any specific stories that he might have told you that would have stuck out in your mind as being relevant to the kind of job he did at the White House Security Office?

A Well, he claimed that his mother knew Hillary Clinton. That sticks out like a sore thumb.

Q Can you explain what Mr. Livingstone said to you and in what context he told you that?

A Now, I'm pretty sure this conversation occurred in my interview with him. This should be off of the record.

Mr. Hauser. We would have our standard objection as to any information disclosed to or obtained by Mr. Sculimbrene during the part of an investigation.

BY MS. OLSON:

Q Would such information have been recorded in a background investigation of Mr. Livingstone?

A No.

Q Why wouldn't that kind of information go into a background?

A That's an agent's call. And since I really didn't know whether it was true or not, it was more or less irrelevant.

Q Is there other information such as whether or not Mr. Livingstone's mother knew the First Lady that you heard from Mr. Livingstone but didn't put in his background

investigation?

A I heard others tell me that that was the case; that he had told them that his mother knew Mrs. Clinton.

Q And was that Bill Kennedy?

A Only by inference.

Q Can you explain what kind of inference Mr. Kennedy made that made you think that he thought Mr. Livingstone's mother knew the First Lady?

A This is difficult for me to explain. It was apparent to me that Mr. Livingstone didn't want this job. From conversations, several conversations, with Mr. Kennedy, it became apparent to me that Mr. Kennedy did not want Mr. Livingstone in this job.

Q And what were the context of those conversations?

A Well, he asked me, well, do you want to work with him? And I told him, this is an inappropriate question for you to ask me, Mr. Kennedy.

Q For Mr. Kennedy to ask you as an FBI agent?

A Yes, as the FBI agent who doesn't answer questions like that. And he kept pressing me and kept pressing me. And I think I finally I said to him something like that I can work with anybody that the administration asks me to work with, but he wouldn't be my first choice. Don't hold me to those exact words, but I think that is about what I said.

Q Did you make any suggestions to Mr. Kennedy about

anyone who else might work in that office?

A I did. And that's why I felt that he was stuck, that would be the word that I would use, because there was an individual whom I had known in the end of the Carter administration named Jackie Dinwiddie, D-I-N-W-I-D-D-I-E, I believe, who had Jane Dannenhauer's job, worked in the same office. She was a competent, honest career professional.

I did this out of my -- some people said why did you do this, Dennis? I did this out of my own personal interest because I felt if we had a competent professional there, my job would be easier. She would know exactly what she had to do and exactly the pitfalls, because I wanted this administration to succeed.

I told Mr. Kennedy that either Bob Cronin had told me -- he was the former agent who used to work at the White House -- either he told me that she contacted him or Ms. Dinwiddie contacted me about another matter and told me about it. And Mr. Kennedy told me that he knew that Mrs. Dinwiddie was interested in the job, so even my bringing it up for a second or third time -- but he told me it was a done deal, that Craig was going to have the job. So by inference, taking Craig Livingstone at his word back then that his mother did know Hillary, that was my assumption.

Q And this was early on when they were considering putting Mr. Livingstone on a permanent basis?

Name	Date	
Shelly Peterson	9/21/99	Counsel

FACT SHEET

Sculimbrene's allegations have been disputed by all parties:

- **Mrs. Livingstone states**: "I do not know Hillary Rodham Clinton, I have never met Mrs. Clinton, and I have never spoken with Mrs. Clinton. We are not, and never have been, personal friends." [Statement of Mrs. Gloria Livingstone, 7/25/96]

- **Mr. Nussbaum states**: "I never told FBI Agent Sculimbrene, or anyone else, that the First Lady recommended Craig Livingstone for his position in the White House or that the First Lady knew Livingstone's mother." [Statement of Mr. Bernard Nussbaum, 7/25/96]

- **Mrs. Clinton has stated**: "I did not know his mother. I did not know him. I did not have anything to do with his being hired." [First Lady Hillary Rodham Clinton's statement in Helsinki, Finland on 7/10/96]

- **Mr. Bill Kennedy has stated**: "I have never had any discussion with Mrs. Clinton about Mr. Livingstone. No one else ever told me that Mrs. Clinton had any interest whatsoever in Mr. Livingstone or his position." [Statement of William H. Kennedy, 6/29/96]

- **Mr. Craig Livingstone has stated**: "I've asked my mother and she, for the record, says that she has never met Mrs. Clinton." [Livingstone testimony before the Senate Judiciary Committee, 6/28/96]

- Dennis Sculimbrene has offered differing accounts of the story involving Mrs. Clinton and Mrs. Livingstone:

- "According to Mr. Sculimbrene, both Mr. Kennedy and Mr. Livingstone told him that Mr. Livingstone's mother knew Mrs. Clinton, which seemed to explain his standing. However, Mr. Sculimbrene said he has no independent knowledge of whether the two women actually knew one another and suggested that Mr. Livingstone may have made it up in an attempt to inflate his status or protect his job." [Wall Street Journal, 6/25/96]

- Q: Now, you said Craig Livingstone had this job because who wanted him to have the job?

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  Q: Mrs. Clinton is a friend of Craig's mother?

Sculimbrene: Yes. And that is why Bill Kennedy told me he was stuck with Craig.

Q: Let me ask you, though, do you have any--do you remember any conversations where you were told that Mr. Livingstone got that job because he was connected with Mrs. Clinton?

Sculimbrene: Yes. Kennedy told me that.

[Sculimbrene Interview before the Senate Judiciary Committee, 6/19/96]

- Sculimbrene's FBI interview report states that Mr. Bernard Nussbaum was the individual who informed him (Sculimbrene) that Mr. Livingstone received his job because of a pre-existing relationship between Mrs. Livingstone and Mrs. Clinton.

- According to a news account, FBI agent David Bowie, who worked with Sculimbrene, wrote in an August, 1995 memo that Sculimbrene had "very bitter political feelings against the White House." Bowie further accused Sculimbrene of "irrational" behavior. [The Washington Post, 6/28/96]

Sculimbrene is involved in an employment dispute with the FBI, alleging he was discriminated against because of his handicap. (Sculimbrene suffered a severe head injury after being hit by a propeller.) Sculimbrene has been quoted by another FBI agent as saying, "he could get away with anything" because he was disabled. [The Washington Post, 6/29/96]

- In a news account, Sculimbrene stated the FBI was seeking retribution for his testimony in the Dale trial. (Sculimbrene testified on behalf of Billy Ray Dale at Dale's trial for embezzlement in November of 1995.) [Wall Street Journal, 6/25/96]

- Numerous issues regarding the propriety of the actions of other FBI agents assigned to the Clinton White House have arisen over the last few years. "...the FBI post at the White House has also been the subject of considerable controversy, particularly during the Clinton administration." [The Washington Post, 6/29/96]

  - "One of the agents who helped with White House background checks in 1994 and 1995, Halbert Gary Harlow, was charged and eventually convicted last year of falsifying at least 50 interviews that he claimed to have conducted." [The Washington Post, 6/29/96]

  - Former FBI agent Gary Aldrich published a book on the Clinton White House which featured wild, unsubstantiated rumors. The book was widely criticized for making public raw FBI data. Aldrich "published his account without completing a required FBI review process." [The Washington Post, 6/29/96]

THE WASHINGTON POST
WEDNESDAY, JULY 31, 1996

A Troubling Question for the FBI

AS THE CLINTON White House and Republicans in Congress play "gotcha" with each other over the improper use of sensitive background investigation files, their political gamesmanship risks overshadowing a serious question that has emerged concerning the FBI. Do FBI agents falsify interviews they claim to have conducted? It is a troubling issue, and here is why we ask.

Last week Rep. William Clinger (R-Pa.), chairman of the House Government Reform Committee, took to the House floor and disclosed that an FBI background investigation of former White House personnel security chief Craig Livingstone contained a 1993 interview with then-White House Counsel Bernard Nussbaum conducted by FBI agent Dennis Sculimbrene. In it, Mr. Nussbaum is reported as saying that Mr. Livingstone had come "highly recommended to him" by Hillary Rodham Clinton. Agent Sculimbrene also reported that Mr. Nussbaum had said that Mrs. Clinton had known Mr. Livingstone's mother "for a longer period of time."

Mr. Nussbaum, who earlier had told Congress under oath that he never had discussed Mr. Livingstone with Mrs. Clinton, issued a statement denying that he had made any such remarks to Agent Sculimbrene. Mrs. Clinton also said she hardly knew Craig Livingstone, had nothing to do with his being hired and did not know his mother, Gloria Livingstone. Mrs. Livingstone issued a statement that she doesn't know the first lady and never has met or spoken with her. The accuracy of Agent Sculimbrene's report, therefore, is in question and raises a major concern.

The fact that another FBI agent—Halbert Gary Harlow, who had assisted with White House background checks in 1994 and 1995—was charged and eventually convicted last year of falsifying at least 50 interviews that he claimed to have conducted is a shocking indication that false FBI reporting can occur. Each year, the FBI probes scores of citizens to help determine their suitability for government posts. Little wonder the specter of an FBI agent reporting a conversation that never took place is chilling.

FBI officials are scheduled to testify before the House Government Reform Committee tomorrow. Expect a Democratic rumpus over whether Rep. Clinger was right or wrong to divulge information from Craig Livingstone's FBI file on the House floor. The chairman had been invited to review the file by FBI Director Louis Freeh. But the White House and its congressional defenders contend that the chairman divulged restricted information that was false. Look, too, for GOP countercharges that the FBI improperly tipped off the White House about Agent Sculimbrene's potentially damaging interview with Mr. Nussbaum just prior to Rep. Clinger's review of Mr. Livingstone's file. Republicans also will assert that two FBI agents went to Agent Sculimbrene's home in an attempt to intimidate him.

All of those accusations deserve responses. But in light of what's known, an equally large question deserves answering. Can FBI background investigators be trusted?

STATEMENT

Mark Fabiani
Special Associate Counsel to the President

July 25, 1996

Today Representative William Clinger, hiding behind the legal fig leaf of the Speech or Debate Clause, took the extraordinary step of divulging on the House floor highly confidential and completely false information from an FBI background investigation.

Congressman Clinger has failed utterly to prove that the White House ever improperly released any private information from FBI files. Thus, today's astonishing speech by Mr. Clinger represents the first and only disclosure of confidential FBI background information during this entire matter.

What is worse, Congressman Clinger divulged confidential information that is clearly false and that originates from a questionable source. Bernard Nussbaum has said that the alleged conversation between Mr. Nussbaum and FBI Agent Dennis Sculimbrene never took place. Mrs. Livingstone has said that she does not know the First Lady and has never even met or spoken with Mrs. Clinton. And the First Lady has said that she does not know Mrs. Livingstone.

In addition, Mr. Clinger surely knows that, according to a published report, an FBI agent informed his superiors that Agent Sculimbrene harbored "very bitter political feelings against the White House." This same FBI agent also charged Agent Sculimbrene with "irrational" behavior. (Washington Post, June 28, 1996.) Yet other published reports indicate that Agent Sculimbrene is involved in a continuing dispute with the FBI regarding his work assignments. And, in recent weeks another FBI agent who had been assigned to the White House and worked with Agent Sculimbrene published a book containing wild rumors and rank innuendo; that book was thoroughly and completely discredited.

Nonetheless, Representative Clinger took to the House floor and divulged false information from a confidential FBI report in a desperate attempt to grab attention for his faltering "investigation." Mr. Clinger's speech today will be seen by most Americans as a reckless, partisan act.

THE WHITE HOUSE

WASHINGTON

July 25, 1996

BY TELECOPY

Louis J. Freeh
Director
Federal Bureau of Investigation

Dear Director Freeh:

As you may know, Congressman Clinger today divulged, on the House floor, an interview report from a confidential FBI background investigation that has been declared to be false by the person who was interviewed. I am writing to you to ask how we can work together to ensure continued public confidence in the accuracy of FBI investigations.

According to Mr. Clinger's statement today, the background investigation file on Mr. Craig Livingstone includes a report by Agent Dennis Sculimbrene on a conversation he says he had with White House Counsel Bernard Nussbaum concerning Mr. Livingstone's hiring. But, according to a statement issued by Mr. Nussbaum today, that conversation never took place.

This Administration and the American people have enormous confidence in the FBI, for good reason. And, the role that the agency plays in conducting background investigations and helping to ensure the suitability of appointees for their posts cannot be overstated. The President, you and the American people have a large stake indeed in the fairness and accuracy of this process.

That is why we are troubled, as we know you must be, by the implication that an FBI background investigation might include a false report. This matter is especially worrisome coming as it does on the heels of published reports of the conviction of one of the agents who did background checks at the White House on charges of falsifying at least 50 interviews that he claimed to have conducted.

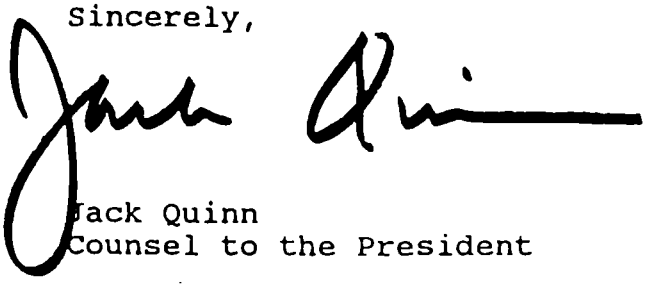
It is equally troubling that a Member of Congress can publicly reveal confidential FBI information, whether for partisan purposes or otherwise. It should not escape notice that this is done at a time when Members of Congress have expressed worry that employees of the executive branch might have sought out confidential FBI information about certain individuals and

planned to somehow use it publicly. While that charge has never been established against anyone in the executive branch, we now witness the same objectionable behavior by the very people who professed to be the guardians of privacy.

It is important that we take steps to ensure continuing confidence in the confidentiality and the integrity of the FBI clearance process. I look forward to your suggestions as to how we can work with you to that end.

Best regards,

Sincerely,



Jack Quinn
Counsel to the President

Attachment

July 25, 1996

Contact:
Jim Fitzpatrick
202-942-5878

STATEMENT OF BERNARD NUSSBAUM

I never told FBI Agent Sculimbrene, or anyone else, that the First Lady recommended Craig Livingstone for his position in the White House or that the First Lady knew Livingstone's mother. I never knew or heard any such things. In fact, I understand that the First Lady and Livingstone's mother don't know each other. I am mystified and outraged that someone would attribute to me something I never said.

STATEMENT OF GLORIA LIVINGSTONE

I do not know Hillary Rodham Clinton, I have never met Mrs. Clinton, and I have never spoken with Mrs. Clinton. We are not, and never have been, personal friends.

I believe the only occasion I was in the same room as Mrs. Clinton was shortly before Christmas last year, when I had the privilege of helping to decorate the White House Christmas tree. At one point, Mrs. Clinton entered the room and thanked us as a group for our efforts.

July 25, 1996

FIRST LADY HILLARY CLINTON Q AND A'S IN BUCHAREST, ROMANIA
MONDAY, JULY 1, 1996

Q from AP: Before we get too far along with our wonderful Romanian visit, I want to clear up just on thing hanging over Washington. Did you or to your knowledge, did Vince Foster have anything to do with the hiring of Craig Livingstone?

A from HRC: I don't know anything about it, I know I didn't.

Q from AP: Do you have any reason to believe that Vince Foster did?

A from HRC: I have no reason to believe that.

Q from AP: Is there any connection between your mother and Craig Livingstone's mother. Which is something the FBI agent is claiming.

A from HRC: The "ex FBI Agent"? No there is no connection. I do believe, if I ever meet the woman I'm going to say "Mrs. Livingstone I presume."

FIRST LADY DISCUSSION WITH TRAVELING PRESS
HELSINKI, FINLAND
JULY 10, 1996

Q from ABC: I need to follow-up on one of Ron's questions. When did you first meet Craig Livingstone? When did you become aware that you knew him?

A from HRC: Gee, I don't have any idea. I don't recall meeting him for the first couple of years we were in the White House. I just don't know him. I have met him since then, but my best memory is sometime within the last year is the first time I ever put a face and a name together.

Q from AP: I really don't want to belabor this, but did I understand you on the Livingstone question, that you don't really have a memory of knowing him until this all happened?

A from HRC: Ron, I did not know his mother. I did not know him. I did not have anything to do with his being hired. And, I do not remember even meeting him until sometime in the last year. So, it does not mean I did not run into him. It does not mean that I did not shake his hand in a receiving line. All that could have happened. But, in terms of any connection with this young man or any kind of relationship with him, there was none.

Statement of William H. Kennedy

Gary Aldrich's account of a conversation with me about Craig Livingstone's suitability for the job of Director of Personnel Security is pure fiction. I never told Aldrich that Mrs. Clinton wanted Mr. Livingstone in that post. I have never had any discussion with Mrs. Clinton about Craig Livingstone. No one else ever told me that Mrs. Clinton had any interest whatsoever in Mr. Livingstone or his position.

June 29, 1996

Original

RPTS STRICKLAND

DCMN GALLACHER

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

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In the matter of:

WHITE HOUSE TRAVEL

DEPOSITION OF
WILLIAM H. KENNEDY, III

- - - - - - - - - - - - - - - - - - x

Tuesday, June 18, 1996

Washington, D.C.

The deposition in the above matter was held in Room 2203, Rayburn House Office Building, commencing at 9:35 a.m.

THEREUPON,

WILLIAM H. KENNEDY, III,

a witness, was called for examination by counsel, and after having been first duly sworn, was examined and testified as follows:

EXAMINATION BY MS. COMSTOCK:

Q Mr. Kennedy, you joined the White House Counsel's Office in March of '93; is that correct?

A No, that's not correct. February of '93.

Q Okay. Was it late February?

A Nope. First week of February.

Q Okay. And do you know who was involved in your hiring?

A With specificity, no.

Q Did the First Lady have any involvement in your hiring?

A She did.

Q Do you know if the First Lady was involved in hiring Mr. Nussbaum at all?

A I can't answer that.

Q Do you know if the First Lady was involved in hiring Mr. Foster at all?

A I presume she was. I don't know that directly.

Q Do you know if the First Lady was involved at all with the hiring of Craig Livingston in your office?

A I don't believe she was. I do not know one way or the other. I don't believe so.

Q Do you recall ever saying to anyone that the First Lady wanted to have Craig Livingston in the position at the Security Office at the White House?

A Me ever saying that?

Q Yes.

A I never said that.

Q Do you recall when you got your security clearance when you were at the White House?

A Huh-uh. No.

Q Do you know who adjudicated your file?

A I do not.

Q Do you know if there were any tax problems that came to anyone's attention in your file when you first came to the White House in 1993?

A I decline to talk about my file. I've never seen it. I don't know what's in it.

Q Did there come a time when you had some nanny tax problems?

A There were allegations of those problems, yes.

Q And had you informed anyone in the counsel's office about those tax problems?

A I did.

Q And who did you inform?

NUSSBAUM: I worked with Mrs. Clinton on the impeachment inquiry. And I...

HORN: Right.

NUSSBAUM: And I don't think we were close personal friends with her or the president, but I did know them over the years, yes.

HORN: Well, what I'm curious now is, Mr. Marceca and Mr. Livingstone, did Vice President Gore or Mrs. Clinton recommend you for the position you held, Mr. Livingstone, to your knowledge?

LIVINGSTONE: I have no knowledge of that.

HORN: You have no knowledge of that. Mr. Marceca?

Do you have any awareness of either Mrs. Clinton...

MARCECA: I highly doubt it.

HORN: ...Vice President Gore. OK, how about Mr. Carville, did he recommend either one of you for a position? Did you get to know him, Mr. Livingstone, in the campaign?

LIVINGSTONE: I don't believe Mr. Carville at that time knew who I was.

HORN: OK. How about you, Mr. Marceca?

MARCECA: I don't believe he had any involvement in my getting the detail at all.

HORN: OK, let me put to each one of you, have you been offered a position in the public or private sector by anyone in the White House who's either an agent, a friend, or a relative of the president, the vice president or any member of the Executive Branch to say as little as you possibly can in this hearing or related hearings? Has anyone offered you that position in the private sector or the public sector if, in brief, you keep quiet?

Ex-FBI Agent: First Lady Wanted Livingstone on Staff

'It's a Done Deal,' Counsel Allegedly Said

By George Lardner Jr.
and Pierre Thomas
Washington Post Staff Writers

A former FBI agent assigned to the White House says he was told that Craig Livingstone was named head of personnel security despite a questionable background because "Hillary wants him."

Writing in a new book, "Unlimited Access—An FBI Agent Inside the Clinton White House," the agent, Gary Aldrich, said then-associate White House counsel William H. Kennedy III told him in early 1993 that first lady Hillary Rodham Clinton wanted Livingstone in the job.

Kennedy, Aldrich wrote, asked him what the FBI thought of Livingstone as a replacement for a longtime veteran and "in particular what the FBI would think if there were character issues in his background."

"I responded gingerly, saying it was a post that should be filled with someone squeaky clean, before Kennedy cut me off: 'I guess I see your point, but it doesn't matter. It's a done deal. Hillary wants him.'"

The embattled Livingstone announced his resignation Wednesday at a House hearing after a drumfire of criticism over his office's improper collection of sensitive FBI background reports on hundreds of Republicans from past administrations. One of the biggest mysteries left at the hearing was the question of who had hired Livingstone, a longtime political advance man with no background in security issues.

Aldrich was assigned to the White House to conduct background investigations for five years until he retired in June 1995. Angry in tone and laced with undocumented allegations, his book was published by a conservative house, Regnery Publishing Co. It was immediately denounced by the White House.

"On its face, this is trash for right-wing cash," said White House spokesman Mark Fabiani. Regnery, he said, has published books by former Los

See FILES, A7, Col. 1

FILES, From A6

Angeles police officer Stacey C. Koon and the National Rifle Association's executive vice president, Wayne LaPierre Jr. Fabiani said publication of the Aldrich book "is a political act with zero credibility."

Earlier this month, Aldrich wrote a short article for the Wall Street Journal's editorial page. It alleged that permanent White House employees suspected of disloyalty were in for "special" attention, Hillary Clinton style"—such as new background investigations before they were due. An FBI agent he worked with, M. Dennis Scalembrene, has alleged that White House political operatives pumped him for information contained in confidential FBI background files in an effort to root out career employees and replace them with Clinton supporters.

Those charges have led to an internal FBI investigation. The probe is focused on Aldrich's contentions that he told his supervisor, James Bourke, that the security system at the White House had been relaxed so those loyal to the Clintons could evade background checks. If Bourke was aware of such matters, the FBI inspectors will try to determine what, if anything, he did about them, sources said. The inquiry is also directed at Scalembrene's allegation that his FBI supervisors retaliated against him for testifying as a defense witness in the trial of fired White House travel chief Billy R. Dale. Dale was acquitted of embezzlement charges.

Scalembrene has said he now reports to the FBI offices in Tysons Corner, where he has "no work, no assignments." In an August 1995 memo, David Bowie, another FBI agent who worked on the Dale case, told FBI higher-ups that Scalembrene has "very bitter political feelings against the White House" and accused him of "irrational" behavior.

In his book, Aldrich said the new Clinton White House used temporary passes for many months to get around the need to provide the Secret Service with FBI background reports for permanent passes.

The White House counsel's office tightened security procedures in early 1994 after a review concluded that more than 100 employees were allowed to work for months without routine background investigations. White House officials acknowledged then that some White House staffers were found to have troublesome personal problems when the long-delayed investigations were finally completed.

Aldrich recounted meetings with Kennedy and with late White House deputy counsel Vincent Foster on the security problems, and said he told Foster the FBI had found character questions among staff members "in the highest levels" of the White House.

At one point, Aldrich wrote, he and Livingstone discussed the serious security problems, including staff members who should have been fired because of their backgrounds and the lack of cooperation from other White House staff members in even submitting to FBI interviews. Livingstone, wrote Aldrich, said Kennedy understood the problems but refused to deal with them.

The two men decided to go to higher-ups about the security problem, according to Aldrich. He wrote that he assumed they would discuss it with then-White House counsel Bernard Nussbaum. "Craig looked at me like I didn't have a brain. 'Nussbaum? It's not Nussbaum we gotta talk to. We'll be talking to Hillary.'"

Livingstone never mentioned the meeting with Hillary Clinton again, and it never came off, Aldrich wrote.

Staff writers Susan Schmidt and Jim McGee and researcher Nathan Abse contributed to this report.

THE WASHINGTON POST
Friday, June 28, 1996

FINAL

LEAHY: Someone who's going to go into this administration?

LIVINGSTONE: Right. But I wanted to explain it rather than just say only within pursuance of my duties so you'd understand an example.

LEAHY: I understand. So in other words, if the administration -- as it has -- has appointed people from past administrations...

LIVINGSTONE: Yes, sir.

LEAHY: ... then they would ask for the file.

LIVINGSTONE: Yes, sir.

LEAHY: OK. I've also read in the press allegations that come from unspecified sources that your mother is a close friend of the first lady. Is she?

LIVINGSTONE: No, sir.

LEAHY: And you have no idea who those sources are that tell these things?

LIVINGSTONE: No, sir. I've asked my mother and she, for the record, says that she has never met Mrs. Clinton.

LEAHY: Well, we have -- the other night I was at an event here on the Hill, and one of the key chairman here was not there at the moment, and there was also a fire going on down at the Treasury building. We assumed that he was immediately calling a hearing to disclose how Mrs. Clinton started the fire at the Treasury building. We seem to have these allegations go out immediately.

LIVINGSTONE: I have no knowledge of that.

(LAUGHTER)

LEAHY: You had nothing to do with the fire. I mean, we might as well -- because by about tomorrow, there'll probably be an article in the press saying that the suggestion and the statement was left unanswered whether Mr. Livingstone started the fire at the Treasury

LIVINGSTONE: At the inaugural, I...

MICA: Security, OK, for the inaugural committee.

LIVINGSTONE: Yes, sir.

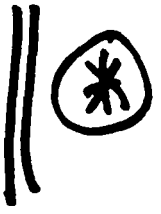
MICA: And did you feel to did a pretty good job?

LIVINGSTONE: Yes, I do. I got a very nice letter from the director of the Secret Service and a plaque from the Secret Service.

MICA: Was the first lady or the president aware of your service?

LIVINGSTONE: I don't have any knowledge to that effect.

MICA: Does anyone in your family have any relationship with the first family?



LIVINGSTONE: Absolutely not.

MICA: Did you report to Mr. Kennedy on the first day when you came into the White House? When you said he hired you? Who did you report to and talk to...

LIVINGSTONE: I believe I testified earlier that I worked on advance prior to going on the payroll.

MICA: I know but the first day at the White House who did you report to? Went you went on the payroll, who's the first one you talked to?

LIVINGSTONE: I believe Miss Cheryl Mills, counsel's office.

MICA: Were you aware at any time of problems in the White House relating to security because you immediately got into the security business, were you aware of any leaks or problems with security at the White House?

LIVINGSTONE: Well, as I testified earlier, my job, sir, as I understood it, was largely administrative at the White House.

5TH STORY of Level 1 printed in FULL format.

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June 29, 1996, Saturday, Final Edition

SECTION: A SECTION; Pg. A14

LENGTH: 857 words

HEADLINE: Aldrich Despised Clintons, Colleagues Say; Former FBI Agent at White House Was 'Cozy With Bush Staff'

BYLINE: Serge F. Kovaleski; Pierre Thomas, Washington Post Staff Writers

BODY:

To a number of his peers, was a competent FBI agent with strong conservative convictions who felt a kinship with the Bush administration and was openly disgusted when Bill Clinton captured the Oval Office.

"He was very cozy with most of the Bush staff," said an FBI agent who knows Aldrich and spoke on the condition of anonymity. There is "no doubt he has a phenomenal bias" against the Clintons.

"He was almost personally offended that the Clintons had won, and made no secret of that," the agent said. After Clinton was elected president, the agent said, Aldrich remarked, "I've never seen so many ponytailed, 50-year-old men in my life."

Aldrich, a 26-year veteran of the FBI, retired last year because, he has suggested, his experience in the Clinton White House soured him on the bureau. He had spent the last five years of his career as one of two FBI agents assigned to the White House, where he was responsible for conducting background investigations on White House personnel.

In his controversial new book, "Unlimited Access: an FBI Agent Inside the Clinton White House," Aldrich described his post as an elite assignment that afforded him the unique opportunity to look out the window and see "a king or a queen visiting the president."

But the FBI post at the White House has also been the subject of considerable controversy, particularly during the Clinton administration. One of the agents who helped with White House background checks in 1994 and 1995, Halbert Gary Harlow, was charged and eventually convicted last year of falsifying at least 50 interviews that he claimed to have conducted.

Aldrich was assigned to full-time duty at the White House with agent Dennis Sculimbrene, who almost lost his life in a 1995 accident, and has been quoted by another FBI agent as saying "he could get away with anything" because he was disabled. Sculimbrene is involved in a legal dispute with the FBI over his work assignments. He alleges he is being discriminated against because of his disability.

Staff writer Jim McGee contributed to this report.

LANGUAGE: ENGLISH

LOAD-DATE: June 29, 1996

The FBI response to the allegations raised in Aldrich's book was a terse, two-paragraph statement saying that Aldrich had published his account without completing a required bureau review process.

As a condition of FBI employment, all employees and former employees are required to submit for review any publications that "could have been based on knowledge gained as a result of their employment," the FBI release said. "The purpose of this review is to ensure the integrity of the investigative or other official information employees learn as part of their official duties."

Jay Stephens, Aldrich's lawyer and former Republican U.S. attorney for Washington, said yesterday that over the last six months he and his client had worked closely with the FBI to address any concerns the agency may have about the manuscript.

"We substantially met all their concerns except for a couple of very limited passages that have become moot as a result of the hearings into problems in security clearances at the White House," Stephens said.

However, a senior bureau official disputed Stephens's account, saying that substantial issues remained unresolved before the book's publication.

Some senior bureau officials yesterday appeared caught in the position of trying to respond to a book with some credible allegations and other claims they considered undocumented rumor.

"Are we outraged by this behavior?" asked one senior bureau official. "Of course we are." But the official said that the bureau hasn't decided what to do about the book and noted that Aldrich does have First Amendment rights.

Should it decide to take action against Aldrich for publishing before the review process was completed, the bureau's only option is to pursue civil litigation to control profits of the book, said one source.

Upon first receiving the book, the FBI forwarded it to its Office Professional Responsibility as a part of routine procedure. Thus far the bureau has not been able to secure documents to substantiate Aldrich's claims about security procedures at the White House, sources said.

Aldrich first surfaced publicly two weeks ago, just after the controversy erupted over the White House's improper receipt of hundreds of FBI files, when he published an op-ed piece assailing the Clinton administration in the Wall Street Journal. In it, he accused the White House of thwarting security and background checks. He made no mention of the upcoming book.

The book describes the early Clinton White House as being in complete disarray, rife with staff members who had once been drug abusers, suffering from lax security clearance procedures and targeting employees that it wanted fired to make room for individuals who were viewed as loyal to the Clintons. He also claimed that the FBI ignored repeated complaints that the Clinton administration was allowing staff members to go long periods of time without permanent White House passes.

FBI sources said they had not yet been able to find any record of the complaints Aldrich said he had lodged.

WSJ
6/25/96

Former Top FBI Agent at White House Raises Questions About Security Office

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON – An FBI agent who was, until two months ago, the top FBI agent working in the White House, has raised new questions about the White House's personnel security office and its director, Craig Livingstone.

FBI agent Dennis Scullimbrene, who was recently transferred from the White House to FBI's Washington field office, has told investigators for the Senate Judiciary Committee that he raised complaints with his superiors about the chaotic management of the personnel security office two years ago and that he also had suggested that the office be run in a non-political manner. But Mr. Livingstone's hold on the job was secure because, the FBI agent said he was told, Mr. Livingstone's mother knew First Lady Hillary Rodham Clinton.

A White House spokeswoman and a lawyer for Mr. Livingstone both deny that Mrs. Clinton knows Mr. Livingstone's mother. Mr. Scullimbrene doesn't know why he was transferred from his post at the White House. He is currently embroiled in a legal dispute with the Federal Bureau of Investigation over work assignments.

During an unsworn interview Wednesday with the staff of the Senate Judiciary Committee, Mr. Scullimbrene alleged that Mr. Livingstone had some problems in his background and had said some untrue things to the FBI when he underwent an investigation for security clearance. He didn't tell investigators what the alleged problems in Mr. Livingstone's background or untrue statements were. Despite having no background in law enforcement, Mr. Livingstone was given the job and approved for security clearance.

Mr. Livingstone and an assistant improperly obtained FBI files on more than 400 people, including many Republicans. Congressional investigators and Independent Counsel Kenneth Starr are trying to determine whether the two men made an innocent mistake or were seeking to dig up dirt on political opponents. In private interviews with congressional investigators, Messrs. Livingstone and the assistant, Anthony Marceca, have said that the files were requested accidentally and weren't misused.

Mr. Livingstone, who is on leave from the White House post, referred questions to his attorneys. Mr. Livingstone's lawyer, David Cohen, declined to discuss the background investigation of Mr. Livingstone. "Background investigations are private matters," he said.

Slow Clearance Process

Mr. Scullimbrene, who worked at the White House for a decade and has conducted numerous background probes of presidential appointees, described his experience with the Clinton administration in a two-hour interview with Senate investigators. The security office problems started early in the Clinton White House, Mr. Scullimbrene said. The clearance process was moving very slowly, and many people were walking around the complex without proper passes, he said. Mr. Scullimbrene and another FBI agent at the White House, Gary Aldrich, repeatedly complained to their superiors about problems, and at one point Mr. Scullimbrene said he suggested turning over the security office to a professional rather than a political appointee.

In 1993, he thought he had a good candidate, Jackie Dinwiddie, who worked in the security office during the Carter administration. However, when he brought the idea to then-deputy White House counsel William Kennedy – who has since resigned – he says Mr. Kennedy told him that he was stuck with Mr. Livingstone. Mr. Scullimbrene told investigators that Mr. Kennedy knew there were problems in Mr. Livingstone's own background investigation, and another person familiar with the matter confirms this. Mr. Kennedy and his lawyer didn't respond to requests for comment.

According to Mr. Scullimbrene, both Mr. Kennedy and Mr. Livingstone told him that Mr. Livingstone's mother knew Mrs. Clinton, which seemed to explain his standing. However, Mr. Scullimbrene said he has no independent knowledge of whether the two women actually knew one another and suggested that Mr. Livingstone may have made it up in an attempt to inflate his status or protect his job. Another person who worked with Mr. Livingstone confirms that Mr. Livingstone boasted of ties between his mother and Mrs. Clinton.

'An Absolute Fabrication'

Mr. Cohen, Mr. Livingstone's lawyer, called this account "an absolute fabrication." White House officials said that Mr. Kennedy has denied telling Mr. Scullimbrene of any connection between Mrs. Clinton and Mr. Livingstone's mother. Jane Sherburne, White House special counsel, said Mrs. Clinton denies knowing Mrs. Livingstone.

Although Mr. Scullimbrene says his performance has been consistently rated as exceptional by the FBI, Senate investigators questioned him about events that could color his version of events. The FBI agent sustained a severe head injury two years ago that left him partly disabled, although he has returned to work. He is pursuing a discrimination complaint against the FBI, claiming he has been ordered to do work that contradicts his physician's recommendations. He said he is also under investigation for allegedly giving his son his government parking pass.

Mr. Scullimbrene also said he worries that he may be suffering retribution from superiors because he testified on behalf of former travel office director Billy Dale at Mr. Dale's embezzlement trial last year. Mr. Dale was acquitted. The firing of Mr. Dale and the rest of the travel office in 1993 led to a congressional inquiry and eventually to the disclosure that the White House had improperly obtained Mr. Dale's FBI file, along with more than 400 others.

Questions also were raised yesterday about whether Messrs. Livingstone and Marceca also collected confidential Internal Revenue Service data. According to a letter sent yesterday by Sen. Charles Grassley, an Iowa Republican, to FBI Director Louis Freeh, a box of documents removed from Mr. Livingstone's office by the FBI contained a folder full of papers bearing the IRS logo. Sen. Grassley asked the FBI director to describe what sort of documents are in the folder.

TRANSCRIPT OF PROCEEDINGS

UNITED STATES SENATE

* * *

COMMITTEE ON THE JUDICIARY

* * *

INTERVIEW OF M. DENNIS SCULIMBRENE

* * *

Washington, D. C.

June 19, 1996

MILLER REPORTING COMPANY, INC.
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the head of the military office.

Mr. Larkin. I want to do one thing real quick. Can I get a phone number where I can give you a call later?

Mr. Sculimbrene. 754-4265. That is my home number.

Mr. Larkin. And where do you live at?

Mr. Sculimbrene. 1521--

Mr. Larkin. Well, no.

Mr. Sculimbrene. 703.

Mr. Larkin. Area code is what I meant to say.

Mr. Hubbard. Now, you said Craig Livingstone had this job because who wanted him to have the job?

Mr. Sculimbrene. Mrs. Clinton is apparently a friend of Craig's mother.

Mr. Yoo. Mrs. Clinton is a friend of Craig's mother?

Mr. Sculimbrene. Yes. And that is why Bill Kennedy told me he was stuck with Craig.

Mr. Larkin. What do you think his background and expertise is to getting him in a high-profile job like that?

Mr. Sculimbrene. Craig's?

Mr. Larkin. Yes.

Mr. Sculimbrene. Now, mind you, I did his background now. So I--

Mr. Larkin. I don't want to get into this. As a matter of fact, I won't even ask it.

Mr. Yoo. Let me ask you, though, do you have any--do

you remember any conversations where you were told that Mr. Livingstone got the job because he was connected with Mrs. Clinton?

Mr. Sculimbrene. Yes. Kennedy told me that.

Mr. Yoo. Bill Kennedy told you that?

Mr. Sculimbrene. Yes, because Kennedy asked me whether we should keep him.

Mr. Yoo. Do you remember what was said? Do you remember the exact words?

Mr. Sculimbrene. No. The exact words, no. The word "stuck" stays--the word "stuck" sticks in my mind; that he was stuck with him.

Mr. Yoo. Do you remember when you talked to him?

Mr. Sculimbrene. Yes. This was a month or two into the administration when we were looking for somebody to take over Jane Dannenhauer's job, and like I said, I had gone to Bill Kennedy proposing Jackie Dinwiddie as a candidate, and I thought why not.

Mr. Larkin. A Democrat.

Mr. Sculimbrene. Here is a Democrat who worked on the campaign, worked on the transition, honest, you know, trustworthy. The Bureau had worked with her in the past. Perfect candidate, but do they pick her? No.

Mr. Larkin. You know, under what circumstances did this occur, the conversation?

Mr. Sculimbrene. It could have possibly been during the conversation when I went to Bill Kennedy to talk to him about, you know, an employee or maybe during Bill Kennedy's own background investigation when I went to interview him about his own case, but I did have a number of interviews with--you know, here is the standard practice up there.

You know, you go in and you do your job, and then, you know, like everything else, well, what did you do this weekend, you know, and we lapsed into personal, private conversations, and that's is what happened to--that is when the subject of Jackie Dinwiddie came up. That is when I interjected my belief that it would help the administration, it would help the FBI to have an employee who had previous experience there, and certainly she had the credentials for the job, but I was told by Kennedy that he was stuck with Livingstone and that was the end of it.

Mr. Yoo. How did he refer to Mrs. Clinton in your conversation?

Mr. Sculimbrene. How did he refer to her?

Mr. Yoo. Yes.

Mr. Sculimbrene. Do you mean like what words did he use? Whatever he said, I took it to mean the First Lady.

Mr. Yoo. Okay.

Mr. Sculimbrene. The First Lady or Hillary.

Mr. Yoo. When he said that Mrs. Clinton--that Craig

had to be--that he was stuck with Craig because of his connection to the First Lady, do you remember the exact words he might have used?

Mr. Sculimbrene. No. Like I said, the only word that really sticks out in my mind is the word "stuck."

Now, mind you, whether it is true or not, I mean, I don't know for a fact. I don't know whether for a fact that Craig Livingstone's mother--for all I know, Craig Livingstone may have told him that and he believed him.

Mr. Larkin. Your recollection is it had something to do with Craig's mother?

Mr. Sculimbrene. Mother, yes.

Mr. Larkin. Okay.

Mr. Hubbard. Now, when Mr. Kennedy made this statement, did he use either the name "Hillary Clinton" or "Hillary Rodham Clinton" or "the First Lady"? Did he designate her or did you infer from what he said that he was referring to Hillary?

Mr. Sculimbrene. Perhaps I inferred that he was talking about the First Lady, but I think I was correct in my inference.

Mr. Hubbard. And on what basis would you say that?

Mr. Sculimbrene. Well, why would he keep--why would he keep this person here that I don't think he personally liked? I don't think he thought he had the qualifications.

He knew--he knew of his--he knew of the problems in his background investigation. He asked me when I kind of refused to answer the question whether he should be hired there, and then when I tried to supply a new person, it seemed to me like--here, I will lay it right on his lap. Here is the perfect person to solve your problems, and the answer to that is, well, I really can't do it because you know who wants him there. Now, that is an inference. That is an inference.

Mr. Larkin. Did Craig ever make any reference to the fact of how he came there?

Mr. Sculimbrene. Yes. Now, Craig did tell me that his mother--

Mr. Larkin. Was what?

Mr. Sculimbrene. --knew Hillary Clinton.

Mr. Larkin. He said--

Mr. Sculimbrene. Yes, he did tell me that, but Craig told me several things that were not true.

Mr. Hubbard. Such as?

Mr. Yoo. Do you remember when he said that?

Mr. Sculimbrene. I don't--I am getting at the gray area here now.

Ms. Owens. No, no. You are fine there. If I lean forward, it is because he had mentioned derogatory in reference to Livingstone's file, and I am concerned

about--that reflects the results of an investigation when he said that there was derogatory, and I would just assume--

Mr. Larkin. And we will, like, strike that, okay, for the record.

Ms. Owens. That was the only area I had concern in, and they have been very good about the leading things or problematic.

Mr. Larkin. We are trying. We are trying.

Mr. Hubbard. Can I follow up on this?

Mr. Yoo. What day did--do you remember when Mr. Livingstone made that comment to you about her mother?

Mr. Sculimbrene. This was during my several interviews with him in the process of doing his background investigation.

Mr. Hubbard. You said that he told you several things that you now know to be untrue. Can you tell us what they are?

Mr. Sculimbrene. Mr. Livingstone or Mr. Kennedy?

Mr. Hubbard. Mr. Livingstone.

Mr. Sculimbrene. Well, we are going to get into--

Ms. Owens. Are they in connection with the background investigation when he was interviewed?

Mr. Sculimbrene. Yes.

Mr. Larkin. We will pass.

Mr. Yoo. Can I ask just one or two questions? We are

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