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Folder Title:

Kennedy, William [2]

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A No.

Q Are you aware of who asked her to look at his status?

A No. I presume it was Bernie Nussbaum, but I do not know for sure.

Q Did you ever participate or have any discussions with anyone in the White House Counsel's Office concerning the status of Harry Thomason at the White House?

A Well, as I said, I knew this was going on.

Q Uh-huh.

A But otherwise, no, I don't think so. I mean, it may have been discussed generally at staff meetings shortly after the Travel Office went on, but Travel Office matters occurred, but I don't recall anything specifically.

Q Do you know if anyone ever looked at the status of Penny Sample or Darnell Martens at the White House?

A I do not know. I don't know if they were encompassed in this overall review or if a question was posed. I don't know.

Q Do you know if there were final memos drafted concerning the status of Harry Thomason?

A I believe Miss Nolan reduced her conclusions to writing.

Q And are you aware of what her conclusions were?

A I don't remember ever seeing a copy of that memo. I believe that I know from press reports that he was found to be not a special government employee.

Q Is that solely from press reports, or do you have any information as a member of the White House Counsel's Office?

A I don't remember this being discussed in staff meetings and whatnot. I don't remember that.

So I mean, I just don't recall specifically discussing it with Beth. But I am pretty sure that I know from reading the paper that it had been announced that a review was conducted and he was not found to be. They may have brought the Office of Government Ethics in on that, but I don't know.

Q Did you ever have any dealings with the Office of Government Ethics regarding any other ethical issues arising out of the Travel Office?

A No, not that I recall. I have had dealings with the Office of Government Ethics, but I was not normally the person that did that.

Q And who was the person who normally did that?

A Miss Nolan.

Q Did you or anyone else in the Counsel's Office discuss or participate in any way in any other ethical issues arising out of the Travel Office matter?

A Well, I don't -- that question's so broad. I mean, you could argue that me sitting here today, you know, has ethical overtones. But the short answer is, I don't -- the way you phrase your question, I'd have to say no.

Q Specifically, there were some issues communicated to Mr. Podesta and Mr. Stern during their interviews in the White House management review. Did you or anyone else in the White House Counsel's Office that you would have knowledge of participate in any issues that arose from those interviews concerning ethical matters?

A Barbara, I'm sorry, your question is too broad. You've got to be specific.

Q I'm asking you if you know of any ethical issues that arose from the White House management review.

A With regard to what? I mean --

Q Interviews.

A Are you talking about me or did --

Q No. You are certainly included in the question.

A I know, but I don't understand your question, and I'm not trying to be evasive. I do not understand it. When you say "issues arose," are you talking about issues raised by interviewees, issues raised, what? What do you mean?

Q I'll break it down.

A Okay.

Q There was information which was communicated by the interviewees during the White House management review concerning actions taken by other employees of the White House. Were you aware of any ethical considerations arising from the information given during these White House management reviews that would have been acted on by the White House Counsel's Office?

A I'm still not sure I understand your question, but I'm going to answer it as best I can. I'm going to interpret your question to mean did the White House Counsel's Office do anything similar to what it did with regard to Harry Thomason's status?

And I mean, you know, for example, the White House made some changes in the way its passes were issued and stuff like that, I guess, could you argue they have ethical overtones?

Q The way that passes were issued, can you please explain what was the basis of making changes for the way passes were issued?

A I can't remember the specifics of the change that was made. The primary change was made that any passes to anyone who was not formally on the payroll had to be approved by the chief counsel's office -- I mean the chief of staff's office.

Q And would that have been a change that you participated in?

A No, I was busy being interviewed, stuff like that. So, no, I didn't participate, I don't recall, in those discussions. I may have been asked to comment on them, but I don't remember like going into the chief of staff's office and talking about it.

Q Were you involved in any discussions about Harry Thomason's appearance on White House directories?

A No.

Q Were you involved in any discussions having his name removed from all White House directories or documents listing him as being present in the White House?

A The short answer is no.

Q Were you aware that that was occurring?

A No, not -- not with specificity, no. I mean, it wouldn't surprise me. A whole bunch of people had their pass status changed after the Travel Office.

Q Were you aware that when their pass status was changed that they were generally taken off the directory?

A Was I aware specifically? No. Doesn't surprise me a bit if they were on the directory, uh-uh.

Q The other ethical issues that came up during the White House management review, such as the destruction of documents, were communicated to the White House management review and interviewers. Were you involved in any discussions concerning these actions taken by Members of the White House?

A Barbara, you've got to be more specific. I don't know what you're talking about. I don't know who communicated allegations of destruction of documents. I don't know what you're talking about.

Q Were you ever told that anyone destroyed all their Travel Office documents once this hit the press?

A No.

Q The fact that Mr. Eller communicated that to the White House management review, would that surprise you?

A The fact that he told them?

Q Uh-huh.

A No.

Q Okay. Were you ever asked to look into that or, to your knowledge, was anyone else in the Counsel's Office ever asked to look into the fact that he told them he had destroyed his documents?

A All I can tell you is I was not asked to look into it.

Q Do you know if anyone else was?

A I do not know one way or the other.

Q Were you aware that Patsy Thomasson took certain actions against Catherine Cornelius following the firing of the Travel Office employees?

A Actions against Catherine Cornelius?

Q Uh-huh.

A I do not know.

Q Were you ever made aware of any actions that she took against Catherine Cornelius?

A I don't know what you're talking about.

Q Were you told that Patsy Thomasson was trying to have Miss Cornelius and Miss Cerda's mess privileges pulled?

A Absolutely not.

Q Was information ever communicated to you that Miss Cornelius was afraid that she was about to be fired because of Miss Thomasson?

A Because of Miss Thomasson?

Q Uh-huh.

A No.

Q Because of anyone else connected with the White House Travel Office matter?

A I think the record will show that Miss Cornelius was reprimanded in the White House Travel Office matter.

Q Yes. Aside from the reprimands, were you ever asked to look at or to provide any legal opinions concerning the propriety of Miss Thomasson's actions toward Miss Cornelius?

A Barbara, as my answers have indicated, I am unaware of any actions that you're talking about. I don't know what you're talking about. So the answer is no to your question.

Q Did Mr. Podesta or Mr. Stern ever have any discussions with White House counsel concerning ethical improprieties that they uncovered during their interviews?

A I don't know.

Q Were you ever a party to any of those discussions?

A You're -- I have sort of acquiesced in this, but I want to make a statement when I give my answer.

When you talk about ethical issues, that is in the eye of the beholder, and you've said it over and over again. Now, as I pointed out, for example, you could properly characterize why I'm sitting here as an ethical issue; therefore, I don't know the answer to your question with particularity. If they brought something to the attention of Counsel's Office, I may or may not agree with you as to whether or not it was an ethical issue. Okay? So that's it in a nutshell.

I don't know. I don't recall of anything similar to the actions that were taken with regard to Harry Thomason's status arising out of the White House internal management review. That is not to say, however, that they didn't happen, such actions didn't happen. I just don't know about them. In addition, there may have been things that arose from that review which I may not have considered to be ethical issues and you might.

Q I have given you three or four examples, and I guess the reason I keep asking is I don't understand what your "I don't know" means. If it means that you personally did not hear about these --

A What?

Q And therefore have no knowledge of the issues.

A Did not hear about what, if I may ask?

Q The three or four issues that I have described.

A And they were? They were?

Q Jeff Eller's destruction of documents; Patsy Thomasson's remarks to Catherine Cornelius regarding her mess privileges and her position at the White House. Your answer "I don't know," I'm asking you whether or not that answer means that you don't recall or that you never were involved in any issues such as that brought to your knowledge.

A Okay. As I testified, I don't know and to this day don't know for sure that Jeff Eller destroyed documents. Okay?

Number two, I'm totally unaware of any actions by Patsy Thomasson against Clarissa Cerda, so I hope that's as clear as it can be.

Mr. Coffield. Catherine Cornelius.

BY MS. BRACHER:

Q And Catherine Cornelius?

A And Catherine Cornelius. Okay.

Q That's fine.

On May 13th, when you met with FBI Agents Apple and Foran, they recall that you had a Travel Office folder on your desk in your office. Do you remember having some kind of folder with information on the Travel Office at that time?

A No. No. The two things that I had were my notebook and a copy of this memo that we alluded to earlier.

Q That would have been the Martens memo?

A Uh-huh.

Q Do you recall showing them any documents when you met with them in your office on May 13th?

A I'm not sure whether I showed the memo to both groups or just the second group; I just can't recall. But I showed the memo to one group.

RPTS McCALLEY

DCMN MAYER

Q Did you ever see a memo that Catherine Cornelius drafted in either the May 12th or May 13th time frame with Harry Thomason outlining the allegations against the Travel Office employees?

A No, do not.

Q When you were meeting with Agents Apple and Foran on May 13th, did you ever discuss --

A Hang on a second. Help me out here because you know this better than I. Apple and Foran are the first group or the second group?

Q Apple and Foran were the --

A I think Wade and Carl were the second group --

Q Right.

A -- but I have trouble keeping them straight.

Q I'll tell you in just one moment.

Apple and Foran were the first.

A Okay. So we're talking about the first group?

Q First group.

During the meeting with Apple and Foran on May 13th, do you remember describing a business that was interested in getting a contract for the Travel Office functions?

A Sure.

Q Would that have been the information contained in the Martens memo?

A I believe that was what the Martens memo was about, yeah.

Q And --

A He was reporting on his contacts where he'd been rebuffed.

Q And when you were telling that to the FBI, would it be true that you were still not aware that Harry Thomason had an interest in Mr. Martens' company?

A Yes. I didn't know that until after the fact.

Q Did the FBI ever object to you bringing in this other audit company?

A Object?

Q Voice any objections, concerns about bringing in this other auditing company?

A As I've testified, they saw some downsides to it, yes.

Q Did they suggest that they could do the audit themselves at any time?

A No. The audit issue, as I previously testified, sort of became moot. They were ready to proceed with an investigation. Whether that encompassed an audit, I don't know. You'd have to ask them.

Q Did you discuss with them having them present during the Peat Marwick review?

A Yes, we did.

Q And once again, was it yours or Mr. Foster's decision that they shouldn't be present?

A I characterized it the same way before. We felt like -- as before, we felt like it would be better to conduct the audit. We felt like it would be better to let the auditors come in and do their work without the presence of FBI agents while that work was going on.

Q There was a session of meetings that were held in the evening before KPMG came in on Friday, so that would have been the evening of Thursday, May 13th. Did you attend any meetings -- I think they were in Patsy Thomasson's office, or directed by Patsy Thomasson -- before the auditors came in the next morning?

A Barbara, I don't recall doing so. I know I met with them the next morning. I don't --

Q The auditors.

A Yes, and Patsy Thomasson. I don't believe that I attended meetings that night. I do not believe so.

Q Okay. There was a group that Patsy and others have characterized as a SWAT team. Were you aware that there was an S-W-A-T team organized?

A No. I mean, I assume she's talking about the performance review team that they had, but I don't know that for a fact. You would have to ask her. I didn't hear them characterized that way.

Q And you just -- you don't recall being at meetings the night before KPMG came into the White House?

A It's possible, but I don't believe I did. I do not believe I did. I believe the first time I met those guys was the next morning at 7 or 7:30.

Q Okay. On Friday, May 14th, after they came in around 7:30 and you met with them, did you receive information during the day on the status of their review?

A I did.

Q And who did this information come through?

A Well, it first came from Patsy and I think Jennifer O'Connor. I think they came once or twice. I think later on in the day, they came along with Larry Herman. I may have talked to Larry twice; I'm not sure.

Q And were you communicating that information to anyone else after you received it?

A Yes. I talked to Vince Foster, and then I talked to the FBI about it.

Q Did you ever speak with the First Lady that day?

A I did not.

Q Did Vince Foster ever discuss that he had spoken to the First Lady on Friday, May 14th, with you?

A He did not.

Q Did you talk to Mack McLarty that day about the Travel Office or KPMG's activities in the Travel Office?

A I did not, not that I recall.

Q Do you recall anyone reporting events on the Travel Office to the First Lady that date, on Friday, May 14th?

A I do not know. The short answer is, no, I do not recall that happening. I didn't know it if they did.

Q Did you see Harry Thomason at the White House on Friday, May 14th, while KPMG was there?

A No, I don't believe I did. I mean, it's possible, but I know I had no conversations with him. I mean, I may have seen him in the hallway or something.

Q Or meetings, did you attend any meetings that he was at or were you told of any meetings?

A I don't believe so, no.

Q On Saturday, May 15th, were you at the White House, which would have been the second day that KPMG was there?

A Yes.

Q Did you attend any meetings at the White House that day?

A I did. At about 5:00 in the afternoon.

Q And who all was at that meeting? We know KPMG was at a meeting. Would that have been the same meeting that you were at?

A Well, Barbara, I can't -- when you say "would that have been the same meeting," I don't know what else they did, so I can't answer that.

Q Right.

A But two KPMG people were there, Jack --

Q Kelly.

I'm sorry, not Kelly.

A I think it is Jack Miller and then Larry Herman were there, I think. And then I think Patsy was there. I think -- I don't remember if David Watkins had come back yet or not. I think Jennifer was there, and there may have been a couple more folks.

Q Do you think Vince Foster was there?

A No, I know he was not there.

Q Okay. Had he already left the White House? Is there a specific reason you know he wasn't there?

A I'm trying to -- there was -- I had to baby-sit, and I couldn't free myself up until late in the afternoon.

Foster was there a part of the day on Saturday. How much of it, I don't know. But he called me at home and asked me to come in for a meeting at 5:00 and he said he was going home. That's why I know -- first of all, I know he wasn't there because I know he wasn't there, but I also remember the sequence of events, because it was unusual that I was prohibited

from coming in; but I had to baby-sit.

Q Was the FBI at that meeting?

A Yes.

Q On Sunday, May 16th, were you at the White House that day?

A No, I don't believe so.

Q Did you attend any meetings having to do with the Travel Office on Sunday?

A I don't believe I did.

Q Were you aware of any meetings that happened at the White House Sunday evening?

A Contemporaneously, after the fact? What's your time frame?

Q This would have been Sunday evening, May 16th, right before the draft of the Peat Marwick report was given to you on Monday.

A I don't -- I don't recall. I mean, I may have known about it at the time. I mean, it wouldn't -- based on what they were doing, it would not have surprised me at all if there had been a series of meetings.

But I don't think I came in that day. I may have gotten a telephone report, but if I had -- if I had any interaction with what is now referred to as "the Travel Office affair," it was minimal on Sunday.

Q Were you aware of any meetings with the President late that Sunday evening in the residence?

A No.

Q Were you aware of or were you subsequently told about meetings with Vince Foster and the President on Sunday evening?

A No.

Q Did you ever meet with the President on any matters connected with the Travel Office?

A No, ma'am.

Q Did you ever have any meetings in the residence on any matters connected to the Travel Office?

A No, ma'am.

Q Did you ever meet with the President on matters concerning Harry Thomason?

A No, I did not.

Q And, similarly, did you ever meet with the First Lady on any matters concerning Harry Thomason?

A I did not.

Q Did you ever have any discussions with either the President or the First Lady on matters concerning Harry Thomason?

A No, ma'am, I did not.

Q On Monday, May 17th -- it's the date that the KPMG draft report was delivered. Do you recall about when you got that report?

A No, not precisely. I think it was pretty late in the day.

Q Do you recall who you forwarded it to, if anyone?

A No, I can't remember that with specificity. If my memory serves me right -- and don't hold me to this -- I mean it was distributed -- I mean, I got one of a number of copies and I don't -- I don't recall distributing it to anybody. I think it had gone where it was supposed to go.

Q Did you attend any meetings on that Monday relating to the Travel Office?

A Yeah, I think I did. There was a mention of it at our normal staff meeting. It seems like we got together, Foster, Watkins,

maybe Patsy and the Peat Marwick guys, and talked about where they were. And I think I talked to the FBI a couple of times, but --

Q Did you talk with Peat Marwick about the draft of their report?

A Yes.

Q Can you just describe sort of what actions you took concerning the draft of this report?

A We discussed it in terms of the substance of it and how they had gotten where they had gotten, where they stood in the audit process, because this was an interim report. They were still working. The methodologies they had employed and what they had that remained to be done to sort of button things up.

Q On Monday, it was your impression that they were still reviewing documents and working in the Travel Office?

A I believe that's correct.

Q And so after you got the draft report, your memory is that they were still doing more of the review of the Travel Office?

A You would have to ask them exactly where they stood because I -- I can't recall. I think they were still doing, you know, the tail end of what they were doing. How substantive it was, you would have to ask them.

Q Did you suggest changes to the draft report?

A I think I commented on some of their language, but the comments were not substantive. I mean, they did a fine job on their own.

Q The draft report copy that we have, and the final omits several descriptions of activities in the Travel Office. Were you responsible in any way for the deletions of information in the draft report, that you know of?

A Well, we -- yeah, we discussed that. I mean, there were several drafts that went on over the next couple of days, and I think that they had concluded that some of their initial conclusions as -- the further they got along, were not necessarily justified, so they were omitted.

Q And these, a lot of the conclusions, where in the draft report they state that there was reconciliation with documents and that the payments and documents matched up, were deleted. Were you aware that those were being removed from the draft report?

A I'm sure at some point I was. I couldn't tell you precisely when.

Q Did you ask that they remove positive material concerning the activities in the Travel Office before they went to final report?

A No. I asked them to do a professional job and to lay out what they found.

Q Did anyone in the meetings that you attended, or that you had knowledge of, suggest that Peat Marwick revise its draft report to contain less positive information on the Travel Office?

A It's sort of an eye-of-the-beholder issue, okay? I mean, if you had been there, you might have disagreed with how I would characterize something. I don't recall anybody doing that. I do recall that we made changes as the thing progressed because some of their initial conclusions were not borne out by some of their follow-up work, okay, but --

Q Would those have been changes you suggested?

A No. In most part, I think they would have come from them.

Q So your knowledge is that their changes were due to incorrect initial conclusions regarding the Travel Office?

RPTS MCCALLEY

DCMN JACKUBOSKY

A I don't know if I would characterize them as "incorrect." I mean, it's more along the lines of this is what we think we see. We're still looking, okay, and it ultimately turned out that what they thought was there may not have been there. I'd have to look at the actual documents to really respond to any of these questions.

Q On Monday, May 17th, did you receive a call from Air Force One from Bruce Lindsey?

A I may have, Barbara. I don't recall it specifically.

Q Do you recall any conversations with Bruce Lindsey in this initial period while he was out of town concerning the Travel Office?

A No, I don't recall any. It's not to say they didn't happen, but I don't recall them.

Q Did you talk with Bruce Lindsey or anyone else about any of the other projects that Harry Thomason had in the White House during this period before the firings?

A No, I don't believe I did, uh-uh.

Q Were you aware of what, for a better name, has been called the ICAP project?

A ICAP. No.

Q The Interagency Commercial Aviation Project.

A I don't think I've ever heard that term before.

Q Were you aware that Darnell Martens had met with Bruce Lindsey to get business for TRM concerning government aircraft prior to the firings?

A Prior to the firings, no. I know that from subsequent press reports, but prior to the firings, no, uh-uh.

Q So on May 17th, do you have any recollection of discussing any of those issues with Bruce Lindsey?

A I do not recall discussing those issues. I don't recall Bruce talking to me about the Travel Office, but it's a blurry time. He may have.

Q Had you gotten other calls from Air Force One?

A I think probably during the course of the time I was doing the clearance work, I probably did. People calling to ask about status of presidential nominees, yeah.

Q So that would not be a singularly unique event.

A Uh-uh. It sounds like it when you talk about a phone call from Air Force One. But no, I was responding to questions about nominee status all the time. I can think of at least a couple of occasions where people on Air Force One called and said, we're fixing to go somewhere, what's this guy's status?

Q Did you see Susan Thomases at the White House on Monday, May 17th?

A I don't recall doing so, uh-uh.

Q Did you ever meet with Susan Thomases about the Travel Office or about Harry Thomason?

A No, I don't think I did, uh-uh.

Q Or have any discussion with her concerning what should be done about those issues?

A No, ma'am.

Q On Tuesday, May 18th, Harry Thomason was at the White House. Do you recall seeing him that day?

A I don't believe I did. As I have said repeatedly, I may have seen him in the hallway somewhere; but I don't remember seeing him, no.

Q Do you recall any meetings the day before the firings that would have included Harry Thomason?

A No, ma'am, I did not.

Q And similarly, did you hear any mention of discussions or did you have any discussions with the First Lady the day before the firings?

A I did not.

Q Or do you know of anybody else who may have communicated that they had had discussions with the First Lady before the firings?

A I'm going to give you the obvious answer. There have been numerous press reports about this, but at the time and as of my own personal knowledge, I don't know if any of that stuff is true.

Q So rather than ask it for any of these dates, up until the firings, did you have any knowledge that anyone had discussed this with the First Lady?

A No.

Q Okay.

On Wednesday, May 19th, when were you first told of the firings?

A Seems like it was really early in the morning. I mean, almost as soon as I hit the door.

Q So it was before they occurred?

A Oh, yeah.

Q And did you contact anyone as a result of that?

A Well, no -- well, yes. I'm trying to figure out how to answer your question. I mean, obviously somebody called me. David Watkins called me and told me he was going to terminate them. I thought I had better advise the bureau of that and did so. They said, gosh, we really wish you all wouldn't do that. I said, it's sort of out of my control but I will inquire. So I talked to David Watkins again and said we got an investigation that's probably going to happen and this may not be a good thing. He said, well, we're going to do it anyway.

Q Did he tell you why he was going to do it anyway?

A Uh-uh.

Q Did he ever communicate any pressure that he was feeling?

A Uh-uh. He did not.

Q On that morning when you called the FBI, did anybody tell you to get lawyers and run for the hills?

A What?

Q Just as a statement. Maybe it was meant in jest or as a joke, but did anyone ever -- do you recall that statement being made by you or to you?

A No, ma'am, I do not.

Q Does that statement have any relevance to anything that was going on that morning?

A Off the record please, ma'am.

[Discussion off the record.]

BY MS. BRACHER:

Q Going back to May 19th, does that statement have any relevance as you sat there on May 19th?

A No. I do not remember anybody saying that to me, you know, at any time around this period of time.

Q All right.

Did you have any belief as to why David Watkins was firing them in light of the advice you had given him and that others had given him?

A You're talking about the advice from the FBI?

[Attorney nods in the affirmative.]

The Witness. No. But this was David's job. This is what he did, okay? His job in the White House was to make the trains run on time and, believe me, on Wednesday morning we had plenty of evidence that this office was a shambles, and so from my perspective it made sense to me.

BY MS. BRACHER:

Q Did you have the final KPMG report on Wednesday, May 19th?

A I don't know, Barbara. I do not know. I can't tell you right now when the final report came out. Sorry.

Q That's okay.

After the firings, did you attend the meeting that was held in Mr. Stephanopoulos' office?

A The answer is yes, but that meeting was going on when I got there. In other words, the full cast was assembled. I walked into a meeting that was in progress.

Q And during that meeting, did you know who Mr. Collingwood was from the Department of Justice before you went into that meeting?

A No.

Q Did you learn during the meeting who he was?

A I picked up that he was somebody connected with the bureau, but I did not know what his status was; I did not know.

Q Okay.

During the meeting, did you observe Mr. Stephanopoulos speaking to Larry Herman from KPMG?

A Yeah, I think he did. I think he did.

Q Do you recall him making statements, any specific statements during that meeting to Larry Herman?

A I think he asked Larry, and I don't remember the specifics of it, but I think he asked Larry what their policy was with regard to, you know, press releases. I mean, did they have limitations on what they could and couldn't do, that sort of thing.

Q Do you recall Mr. Stephanopoulos or Dee Dee Myers asking Larry Herman where the hell's the report?

A No. I don't recall that, but it certainly wouldn't surprise me.

Q And were you aware that KPMG Peat Marwick called in their New York partners that day to help out?

A No. I mean, I remember, like I said, this sort of question, you know, what can you guys do? You know, we need to make reference to this, can we do it? And I assume that somebody went and checked with somebody, but I don't know. I remember Larry saying, well, I'll check on that, or I'll deal with that or something.

Q Was the dynamics as you have just described questioning, or did you believe that there was an amount of pressure being put on KPMG to come up with information and help to the White House concerning what was going on in the afternoon?

A Questions.

Q Questions?

A Questions. No pressure.

Q So if KPMG had stated that they called in their New York partner because they were being pressured to do things that they didn't feel were appropriate, would that surprise you?

A Yeah. It would.

Q Did you observe any actions that would lead you to believe that was true?

A No.

Q During that meeting that was going on in Stephanopoulos' office, did you discuss predication with the FBI and the investigation by the FBI?

A No, I don't recall in any way, shape or form. I mean, that train had left the station.

Q It had already been announced that the FBI had predication to investigate?

A No. When I talk about that, I mean the FBI was getting its ducks in a row to conduct its investigation.

Q Is that what you meant by that train had left the station?

A Uh-huh.

Q Were you aware the White House had also announced that there was an FBI investigation?

A Well, the short answer is yes, I was aware that that news had gone out.

Q And did you discuss any of that information with Mr. Stephanopoulos?

A No. I mean, he already knew that.

Q I guess I'm asking you because you were the one who would know the status of the FBI's predication at that point, isn't that correct?

A No. Mr. Foster was in that meeting and he knew it as well, and Mr. Nussbaum was in that meeting and he knew it as well. I mean, so did other folks.

Q When you did your September 15th, 1993, your OPR interview, which I think Mr. Goldberg read to you earlier, can you tell me why Bernard Nussbaum, Cliff Sloan and Neil Eggleston were present at that interview?

A Why?

Q Hm-mmm.

A I mean, you'd have to ask them as to exactly why they perceived they were there. They were sitting in on -- I mean it's like Bernie's boss sitting in on an interview of his employee.

Q And according to your belief, during that interview, what capacity, who were they representing during that interview? Whose interests were they representing?

A I presume the President of the United States.

Q So they were not representing you --

A Absolutely.

Q -- in that meeting?

A Absolutely not.

Q So your belief was it was the White House, the President of the United States?

[The Witness nods in the affirmative.]

BY MS. BRACHER:

Q Do you know if they discussed your interview that you had with OPR with anyone else?

A I do not know.

Q Did you discuss your OPR interview with them after it was over?

A I'm sure I said something like, how did it go? And they said something like, "fine" or something like that, your normal human being interaction. But no.

Q I mean, any significant substantive review of your interview?

A No, I don't recall anything like that.

Q Do you recall sitting down with anyone and discussing the substance of your interview in any manner?

A Barbara, I mean again, this all seems to irritate. I'm not being evasive, but the substance of that interview, I've told this story a hundred times, I'll tell it to you right now. I don't know where you're headed.

Q Did you discuss your interview with anyone in the White House following September 15th when you gave that interview?

A Okay. Now --

Mr. Coffield. Sixteenth.

BY MS. BRACHER:

Q September 15th.

A You understand where I'm headed. If you're talking about the events that I was questioned upon, if you're talking about the events that I was questioned upon, I've discussed that with more people than I care to count, including you. Now, if you're talking about how the interview went, I mean the answer to the question is no, other than Bernie and Cliff and Neil.

Q Were you aware that others in the White House were being interviewed by OPR during that period?

A Sure.

Q Was there ever any effort or any request that you sit down with others and go through the events and the chronology in preparation for these interviews?

A No. You're talking about as a group? No. Uh-uh.

Q Following the firings, did you sit down?

RPTS McCALLEY

DCMN VASSELO

Q And create any chronologies for use by the White House?

A No. The closest that -- the closest that I would have come to that is some time after the events in question, Vince asked to see my notes, and I gave him a copy of those. And then subsequently, I think Neil Eggleston asked to see or it may have been Cliff, I forget, asked to see a copy of my notes and I gave him my notes.

But, no, I don't remember, you know, formally creating a chronology or anything like that.

Q On September 27th, 1993, you were interviewed by the GAO. Do you know why Bernie Nussbaum and Neil Eggleston were present at the GAO interview?

A Same, same reason. Same reason.

Q Did they ever discuss with you why they were sitting in on your interviews?

A No. I mean, I was glad to have them there, and I wasn't surprised by them being there. I thought it was totally appropriate; still do.

Q Did you similarly have any briefings before the GAO interview with anyone to discuss how you were going to answer questions or to discuss previous answers concerning the Travel Office?

A Let's do this the short way. I mean, I'm assuming you have the same series of questions. No, there was no organized effort to shape or prepare testimony. I didn't prepare any chronologies. But obviously the same comments about my notes apply, which is that I had given them to Foster and either to Eggleston or Sloan or somebody. But I didn't prepare a chronology. I didn't meet with anybody to prepare. I didn't meet with anybody afterwards other than your normal human being comments, how did it go, that sort of thing.

Q You mentioned in your GAO interview that you had private experience with the IRS. Would that refer to experience you had had in private practice?

A Can you show me that comment? I don't recall that comment.

Q That's fine. If you don't recall it, that's just fine.

Mr. Coffield. Is it something that's documented?

Ms. Bracher. Yes. It's in a GAO interview and I don't feel like pulling it out. If he doesn't recall the comment, that's sufficient.

The Witness. Well, I, just to make the record clear, I'll be glad to answer that question if I can see the context of the remark. I don't recall making it just that way.

BY MS. BRACHER:

Q Okay. I'll pull it out.

I'm showing you the GAO interview, which was on September 28th, 1993, and on page 3, I've underlined a sentence where you had said in your private experience you have had experience with the IRS.

A Well, this would -- the way this is used, the full sentence says, quote, in his experience, comma, Mr. Kennedy said that he had a lot -- excuse me, in his private experience, Mr. Kennedy said he had a lot of experience with the IRS.

That would refer to my private practice of law.

Q Okay. You also mention at one point that you saw Peggy Richardson at a party after the firings. Do you recall what you would have talked with Miss Richardson at a party after the firing?

A Barbara, I don't remember testifying that way. I mean what I told you was is I knew her socially, okay. I'm talking about testifying about that today. I don't remember testifying about that.

Q On page 5 of your GAO interview, you said three weeks after the Travel Office employees were fired, Mr. Kennedy met IRS Commissioner Peggy Richardson at a party. She told Mr. Kennedy that there had been a lot of press interest at the IRS with the Travel Office. Mr. Kennedy's only response was something like, that doesn't surprise me. He did not discuss any details about the Travel Office with the commissioner.

A That is correct.

Q Do you recall that party?

A Which one? No. I mean, I saw Mrs. Richardson a number of times that summer and a number of times sort of during the April, May, June, July time frame, and I don't know which time.

Q And when issues about the press coverage of the Travel Office came up, I guess what I just read from the GAO was basically that you would say something like, "It doesn't surprise me."

A Yeah.

Q Do you recall saying something like that to Miss Richardson?

A Yeah. She said something along the lines that they were inundated, just inundated with press inquiries. I said, "Peggy, that doesn't surprise me." I mean, you know, they're claiming that I have manipulated the world, so...

Q Do you recall telling Miss Richardson that -- I mean Miss Richardson telling you that the IRS was on top of the situation?

A I think she probably, you know, said we got a bunch of press inquiries and we're dealing with it, something along those lines. And she may have used the words "on top of it", but that's the same, that's the thrust of it.

Q Do you recall going back to the White House and relaying any of that conversation to anyone else at the White House?

A Barbara, at the -- I'm pretty sure that at the time I didn't. But some time after this conversation and some time later on, I think I mentioned at a staff meeting that she had mentioned that they had all these press inquiries and they were dealing with them, yeah.

Q Did you ever at any time -- the GAO is only focusing on this one party three weeks after the firings, and my question is much broader. Did you ever discuss the Travel Office matter with Peggy Richardson?

A Other than this right here, no.

Q Other than this one mention at the party three weeks?

A Uh-huh. Yes.

Q So, to this date, you've never had any discussions with Peggy Richardson concerning the Travel Office matter?

A Other than this, that's correct. She's a friend of mine, and I'm sure at some point she commiserated with me about all the crap I've gone through. But the specifics of it, no.

Q Do you recall how the issue of the Travel Office came up at a party with her?

A Just that way. She just mentioned that they were just being killed by the press.

Q At this time after the firing, were you aware of the IRS's audit of the White House on excise taxes?

A No. I don't think I knew at the time that this was a possibility.

Q When did you become aware that the White House was being audited by the IRS?

A Barbara, some time, you know, shortly after all this stuff. But again, as I told you this morning, I don't think that that audit was going on. You probably know better than I, but I don't think that audit was going on at this time.

Q Can you put it in any kind of time frame when you learned of the White House audit by the IRS?

A I can tell you it was some time after all these events. When, I can't tell you.

Q Do you recall how you found out about the IRS audit?

A No, I cannot. I'm sorry. Either through press reports or, you know, somebody's comments somewhere, but no.

Q Did you ever receive any information that anyone had been in contact with the IRS around the time of the firings?

A No. Uh-uh.

Q Did the FBI ever tell you they had been in contact with the IRS?

A At the time of the firings, no, and thereafter, no.

Q Did there come a time when you did find out that the FBI was in contact with the IRS?

A I know from press reports that the FBI, or I guess a better way of saying it is, the Department of Justice had done a number of look-sees at the FBI's contact. I think there had been press reports that the FBI had contact with the IRS, I think, to see if the FBI had contact with the IRS. But otherwise, no.

Q So other than the press reports, you did not receive any other information about contacts between the --

A I don't think any --

Q -- the FBI, the Justice Department and the IRS?

A No.

Q At one time you were talking about the Peat Marwick report being done as a part of NPR. Did you believe at the time that Peat Marwick was coming in to the Travel Office as part of NPR?

A Okay, pardon me, but at what time?

Q When they came in to the Travel Office before the firings on May 17th.

A As I testified previously this morning, I mean, I came to learn where they had come from, but at that time, I didn't know.

I think that -- I remember that on the Friday morning, the 7:30 meeting or so, that somehow the strategy had been worked out that their, quote, cover, close quote, would have been the NPR, that they were coming in as part of the NPR. But that they had any kind of formal relationship with it, I didn't know, I don't think, at the time. I came to learn that later.

Q And by, quote, cover, you mean "cover" to be what they were going to tell the Travel Office employees?

A As to why they were there. As to why they were there.

Q How did you find out about the reprimands?

A Bernie Nussbaum told me.

Q Was that your first notice that you had of the reprimands?

A Well, the reprimand's sort of an evolving story. I'm trying to remember quite how that went down. At some point, Bernie told me that he, Vince and I were going to be reprimanded.

Q So this was prior to the actual announcement of the reprimand?

A Uh-uh. But close on it. I mean within either the day before or that same day. Then it was supposed to be that Foster and I were going to be reprimanded. I didn't know it was going to be just me till it was announced.

RPTS COLCHICO

DCMN JACKUBOSKY

BY MS. BRACHER:

Q When you were first told that it was going to be the three of you, were all three of you together?

A I think it was just Bernie and me. I don't think Vince was there at that time. Don't hold me to that. I can't remember specifically. He may have been there.

Q Was there any discussion that you knew about as to why Mr. Nussbaum and Mr. Foster weren't reprimanded?

A I don't know anything about that decision. I don't know how that was arrived at.

Q So the first time that you realized it was just you was when you saw it on television?

A Yes.

Q And how far before that were you first told that it was going to be the three of you?

A As I said, it was either the day before or that morning. I just cannot recall precisely.

Q Did Vince Foster ever discuss that with you?

A Yeah.

Q What did he say about the reprimand?

A He thought it was unwarranted. He also thought he should have been reprimanded as well, if anybody was going to be. And that's the same way Bernie felt.

Q But you don't have any information as to why they were not included in the final reprimand?

A You will have to ask somebody other than me.

Q I have a series of questions which concerns gathering documents. There was an independent counsel subpoena in May of '94. Were you requested to gather documents in response to that subpoena?

A Okay. Was this subpoena directed to whom?

Q It wasn't directed to you. It would have been directed at the White House for documents.

A The answer is yes.

Q And do you recall what you did in response?

A Tried to comply with the subpoena.

Q I guess I'm asking more specifically, did you go through documents in your files, in your desk, in your home? Can you just take us through the steps of what you did?

A Okay. I am going to do that with one caveat. I have been hit with more subpoenas than Carter has pills. Some came from you or, actually, your committee. A number have come from the independent counsel's office. A number have come from the Senate. Some have come from the Department of Justice.

The response is always the same. I made a good faith effort to comply. I looked in my office. I made sure I had nothing at home, which in the normal course I would not have. And I responded however I was directed to.

Q Do you remember specifically -- and obviously I am limiting it to the Travel Office documents. Do you remember who was in charge of the Fiske subpoenas at the White House or who was a contact person that you had?

A I am going to draw a distinction for you. For example, I think on the first Fiske subpoena, I mean Mr. Fiske called me and I handled the actual delivery of the subpoena. As far as who responded, I don't know. I think it was Neil Eggleston, but I do not know. I am sorry. I don't know if it was Neil or Cliff or some combination of them or what. I just don't recall. Somebody coordinated it.

Q Were there any discussions concerning the independent counsel's subpoena about withholding documents or sensitive documents that might have been in possession of you or others in the counsel's office?

A I think there were discussions about privilege, whether, you know, some of the stuff they wanted was privileged.

Q And who would have been involved in those discussions?

A I think Mr. Nussbaum and whoever was in charge of responding to that particular subpoena.

Q Was it you in charge of responding to that subpoena, though, from Mr. Fiske?

A No. I said I was the one that effectuated the delivery. You know, you just -- I don't have to tell you this. You don't walk up to the White House and serve a subpoena. It's kind of hard to do. So --

Q Were you aware of what the basis for the privilege issues were for the Fiske subpoena?

A Barbara, the short answer is no. I mean, I don't know what was considered privileged, if anything, you know. The answer is, I know that there were discussions about privilege because the subpoenas were all broader than you can imagine.

I will take that back. You can probably imagine it.

Q Were you involved in any of the discussions to narrow the subpoenas to the White House coming from Mr. Fiske?

A No.

Q When you delivered the documents to Mr. Fiske, was the letter sent to Mr. Fiske under your name delivering those documents?

A No. As I testified, I wasn't in charge of, in any way, shape or form, responding to the subpoenas.

Q Were you aware of the Vince Foster notebook at that time?

A No, ma'am.

Q Were you aware of any review being done of Mr. Foster's Travel Office files at that time?

A What's our time frame?

Q This is the Fiske subpoena, which would have been in May of '94.

A I am sorry. Repeat your question. What was the question? Was I aware of what?

Q Were you aware of any discussions about the Vince Foster Travel Office file?

A No. No. In terms of compliance with the subpoena? No.

Q The Public Integrity Section of the Department of Justice finally issued a subpoena in September of '94. Were you aware of that subpoena?

A Issued to who?

Q To the White House.

A Probably, but I can't say for certain. There have been so many of them.

Q They were requesting documents concerning Harry Thomason.

A I don't think I knew about that at the time.

Q Okay. Do you recall being told to search again for documents concerning Harry Thomason or Darnell Martens or Penny Sample?

A I believe I was, because I used the same methodology, you know. Here is a subpoena. If you have got any documents responsive, return them to X.

Q Maybe you could go through the general methodology. Would it be to show all the people in the counsel's office the subpoena? Or was there a standard methodology that you could tell us?

A Well, a subpoena directed to the White House was a subpoena directed to the White House. And so the subpoena would be summarized, I think, by memo and the memo would go out.

Q Do you recall actually seeing copies of the subpoenas going out to the individuals in the White House?

A Uh-uh. No. I don't think that -- I think the methodology was to summarize what was required by memo.

Q Did you sign any documents that you had done a thorough search of all of your files in response to any subpoenas?

A I believe they employed that methodology most of the time. I think, as it began to mount up, they quit doing that. But don't hold me to that. I remember that you were supposed to certify that you had done that.

Q A complete search of all records --

A Right.

Q -- responsive to the subpoena?

And do you recall ever signing one of those for any of the subpoenas?

A I believe I did, yes.

Q The Public Integrity subpoena in September of '94 that came through, were you aware of the Vince Foster Travel Office files at that time?

A No. I mean -- look -- see, this is -- you have something specific in mind. If you ask the question, would it have surprised you that Vince Foster had a Travel Office file?, the answer is, absolutely not, absolutely not. It would have surprised me if somebody told me that he didn't. And, you know, he wasn't around at this point so -- I mean, I can't talk to you about the handling of that in any way, shape or form. But I'm certain that he had materials on the Travel Office, you bet.

Q Why?

A Why?

Q Why do you say that?

A He asked me for my notes.

Q So you knew he had copies of your notes early on?

A Uh-huh.

Q At one point you were sent all of his files, weren't you?

A Yes.

Q When was that?

A I can't tell you specifically. It was when Joel Klein came in.

Q It was before the Public Integrity subpoena, wasn't it?

A I don't know.

Q Did you ever do a search of the files that you were sent from Vince Foster to see if there was anything responsive to any of the subpoenas?

A Uh-uh. Uh-uh. And I am not sure your timing is correct, by the way.

And the long answer is, also, I don't know if I got all of Vince Foster's stuff. I got a bunch of boxes that were represented to be out of Vince's office.

Q But did you ever do a search of any of those boxes at any time in response to any of the subpoenas?

A Did I personally?

Q Uh-huh.

A No.

Q Did you direct anyone to search Vince Foster's boxes that were in your possession?

A They were searched.

Q By whom?

A I believe by Chris Cerf, but I don't know that for a fact.

Q Where were these boxes kept that you had received?

A In my office.

Q Okay. So you have got boxes of Vince Foster's sitting in your office. I don't understand why you wouldn't have searched them yourself for documents responsive to the subpoena.

A The short answer is, I'm not sure -- I want to make this clear -- that your timing is correct; period, end of story. I don't know when I got those boxes versus subpoenas.

Q Okay. We believe you got the documents in the fall of '93.

A No, I don't think so. I think I got them sometime in '94 but, again, I don't know for a fact. It would be whenever Joel Klein took office. It should be pretty easily verifiable.

Mr. Coffield. Do you have anything you can show him?

Ms. Bracher. No.

The Witness. And I just don't recall. I mean, it's not something I put in motion. They just appeared one day.

BY MS. BRACHER:

Q Do you know who had them sent to you?

A Not for sure. They were -- they were brought over by a guy named Tom. I am trying to think of his last name. It's one of those things that escapes me. Tom -- what the hell is his name? Sorry.

Q Taggart?

A No.

Q Okay. I guess the timing is less important than your memory of the Fiske investigation, which you remember it did include the Vince Foster suicide and the reasons for the suicide and discussed the Travel Office in that context. Is that true?

A Well, for example, you just told me that the Fiske subpoena came in in May.

Q Right.

A Which doesn't seem right to me. But if it did, Vince was still around.

Q May '94, not '93.

A Okay. Now, that's better.

Q I am sorry. I should have said '94. I just assumed you knew it didn't come before the firings. It was the year following that.

A Now, your question is?

Q With the activities that Mr. Fiske was conducting and your knowledge of those activities, did you ever search any of the Foster documents?

A No, I did not.

Q Was there any reason that you didn't search the Foster documents?

A It was not my job to do so.

Q Did you consider anyone else to have possession of the Foster documents in your office other than you?

A The White House Counsel's Office had them.

Q And how did you make that assessment?

A I didn't have to make that assessment. It was a fact.

Q How was it a fact?

A I worked for the White House Counsel's Office.

Q They are sitting in your office.

A I still worked --

Q Do people come in regularly and go through your files?

A If they want to. If they are authorized to do so.

Q Was anyone authorized to ever go through your files?

A Yes.

Q Who?

A To go through my files?

Q Yes, your files in your office.

A No.

Q Okay. Were Mr. Foster's files in your office?

A They were.

Q Did people walk in and go through them in your office?

A Mr. Cerf did.

Q In response to a subpoena?

A Both in response to a subpoena and in the process of properly cataloging those documents, you bet.

Q And was that back when Independent Counsel Fiske was doing his review?

A I don't know. I am sorry. I just don't know.

Q Do you know when Mr. Cerf started?

A I do not know.

Q Was it '94?

A I don't know. It was either late '93 or early '94, I believe.

Q Were these documents ever sent to Mr. Cerf's office?

A I don't know if he came and took them to his office but he came and got them, yes.

Q And you never at any point knew who ordered the documents be sent into your office?

A Barbara, it went down like this: These documents had been searched by the Park Police, all the stuff that you know, Bernie Nussbaum, all the stuff that has been played up in the press ad infinitum. They were put in boxes by somebody -- whoever, I don't know. I don't know who catalogued them, who put them in boxes, who inventoried them. I don't know any of that. I did not know they were coming to my office until they arrived one day. And they came because Joel Klein, the new deputy White House counsel, came and occupied Vince's office.

Are you with me so far?

Q Uh-huh.

A Now, they sat in my office, unopened, untouched, until they were removed by Mr. Cerf, whenever that occurred, as part of a response to a subpoena, I believe -- which one I can't tell you -- and also as part of properly cataloging them.

Q Okay. Now, when you knew of the subpoena from Mr. Fiske in May of '94, you knew that Vince Foster at least had your notes concerning the Travel Office?

A I didn't know that -- I didn't know that for a fact. I knew I had given them to him. I didn't know what he had done with them.

Q Did you tell anyone else in the Counsel's Office that they might want to search the boxes in your office?

A Look, what you want to do is gloss over something, which is that those records had been gone through by the time they got to me, I don't know how many times. Okay? Period, end of story.

I thought they had been catalogued over and over again.

Q And did you think somebody else was checking the catalog to respond to the subpoenas?

A You bet.

Q Who?

A I don't know. There were different people assigned to respond to different subpoenas.

Q Well, when you say, "you bet," that sounds as though you had a specific recollection in your mind that somebody had to be taking care of this other than you.

A That's correct.

Q Where does that come from?

A It comes from the fact that somebody had boxed those things up and somebody had made an inventory of them.

Q And somebody had sent them to your office to sit?

A That's right.

RPTS COLCHICO

DCMN MAYER

Q Did you ever have any meetings where his documents were discussed in response to any subpoenas that were served on the White House?

A No. I don't recall any, uh-uh.

Q Did Neil Eggleston tell you about his conversation with Lloyd Cutler regarding the Travel Office file of Mr. Foster?

A No, I don't recall him doing so.

Q Did he discuss the fact that he knew about a Travel Office file back in May of '94, when the Fiske subpoena was served?

A He did not.

Q Did anyone else in the White House Counsel's Office tell you about a Travel Office file in May of '94?

A No, ma'am.

Q Were you involved in any way in determining whether Foster's files were responsive to the independent counsel's subpoena?

A No, ma'am.

Q Our subpoena was sent to you on February 7th of 1996.

A Uh-huh.

Q Did you -- can you just tell us what you did to collect documents for our subpoena?

A I went -- I did exactly the same thing I have done before. I went through all of the documents under my control to see if I had anything responsive, and you got our response.

Q Did you send any documents back to the White House that were White House documents in response to our subpoena?

A I did not.

Q Is there an index of the documents that you retained after you left the White House that would be responsive to our subpoena?

A An index? No.

Q That you have?

A Uh-uh.

Q In the letter, which is by your attorney at the time, it states that the White House Counsel's Office had provided you with courtesy copies of documents and that you believed that these documents had been produced to us. And I would just ask if you have a copy still of any of the documents -- of all the documents that the White House provided to you as a courtesy copy?

A I'm going to have to ask my counsel to respond to this. The short answer is, if I understand your question --

Mr. Coffield. Wait a second. Let me just --

BY MS. BRACHER:

Q I am asking you if you have. I would really just like to know, what knowledge do you have about documents that the White House sent you courtesy copies of?

A Well, they didn't come to me. They went to my lawyers.

Q Did you receive copies of them at any time?

A I am going to have to ask my lawyers to respond to that.

Q Is it because you don't remember or you feel -- I don't understand why --

A You are getting awfully close, Barbara, to attorney/client privilege. That's my hesitation. I am waiting for him to catch up.

Mr. Coffield. Can I just review this? Let me just read this. Obviously, I did not write this. I would just like to read it.

Ms. Bracher. Let's take a moment for you to read it.

Mr. Coffield. Yes, if we could.

[Discussion off the record.]

Ms. Bracher. Let's go back on the record.

Let's proceed with the questioning.

BY MS. BRACHER:

Q On this letter that you received from your attorney on February 26th, did you keep an index of any of the documents that the White House sent to you as courtesy copies?

A Did I?

Q Uh-huh.

A No.

Q Did you ever receive copies of the documents that the White House sent to your attorney, which are characterized as "courtesy copies"?

Mr. Coffield. I am going to object because you are asking about things that were shared between him and his counsel.

Ms. Bracher. I am not asking the substance. I don't think asking whether Mr. Kennedy received copies of White House documents is within the attorney/client privilege but, of course, if you feel it is, then you can so state for the record.

Mr. Coffield. I do believe that the substance of any documents that were shared -- the fact that he may have received

documents is something. Where he got those documents obviously clearly goes to the substance of what those documents are and, as such, for him to identify where he may have gotten -- where the documents that he received and what those copies -- what those documents were copies of do go to the substance of them.

So I would object.

Ms. Bracher. Does this privilege include the White House? Is it your private attorney/client privilege you are asserting?

Mr. Coffield. If I receive any documents and share them with him, the mere fact that I have shared -- I mean, we get into these privileges just on actually giving privilege logs to the extent that the privilege logs ask for information that could reveal their substance. It's a very common issue that we have dealt with.

Ms. Bracher. I will ask it another way. You can certainly object if you feel appropriate.

BY MS. BRACHER:

Q Did you receive courtesy copies from the White House of documents?

A Did I receive them?

Q Uh-huh.

A I did not.

Q Did you at any time receive documents that had come from the White House, which they have characterized as courtesy documents relating to you?

A Did I receive them, Bill Kennedy?

Q Uh-huh.

A No, I did not.

Q Okay. Are you aware of any documents that you have not produced to this committee responsive to the subpoena that you were issued on February 7th, 1996?

A I am not.

Q Okay. There is a document which was sent to us as part of your October 7th production. I show you this. It's got a letter of October 18th, as well as some handwritten notes. Do you recognize that document?

A Now, you say I was -- I produced it to whom?

Q To this committee, in response to your subpoena of February 7th, 1996.

A Do I recognize this document, this document here?

Q Let's start with the first page of the documents that were produced to this committee. The first page of the documents that were produced --

A Ask your question.

Q -- is this page, and I ask you again, do you recognize that document?

A I have not seen that letter before, no.

Q All right. So you have not seen that document that was produced to this committee in response to your subpoena?

A Let's describe the document, Barbara. I will take -- I will do that for you. This is a letter on the letterhead of Sharp & Lankford. It is addressed to Stewart Goldberg, Esquire, U.S. Department of Justice.

"Dear Mr. Goldberg, At your request, my client, William H. Kennedy, III, has reviewed the copy you provided of his handwritten notes. He believed the highlighted entry reads as follows: Quote, 'focused on petty cash notebook with envelope in the front in locked credenza behind Billy R. Dale. Anyone in the office can make entry to petty cash,' closed quote. Please call if you require further assistance. Yours truly, Paul V. Castellitto."

Q I have the same question. Have you ever seen that document?

A Which document?

Q The document you just read, Mr. Kennedy.

A Be specific, Barbara. Ask your question. Are you talking about the letter I just read?

Q Yes, I am?

A Okay. No, I do not believe I have seen this letter before.

Q Did you receive a copy of our February 7th, 1996 subpoena which was addressed to you personally?

A Yes.

Q Did you authorize your attorney to accept service of that subpoena in your name?

A I believe I did.

Q Okay. And did you make a full response to that subpoena?

A Yes.

Q Okay. Are there any documents -- what did you do to respond to that subpoena?

A I have already told you. I have already told you, Barbara.

Q I am sorry. I didn't remember.

A Then you can go back and ask this lady to review my answer. I have already told you. I decline to answer that question twice.

Q Okay. Was any documents submitted to this committee without your authorization in your name?

A I don't know who sent the committee -- I do not know who has sent what to this committee.

Q Do you realize the subpoena named you?

A That's correct.

Q And you are an attorney also, is that correct?

A That's correct.

Q Okay. The second page of the documents produced to this committee in response to the subpoena on February 26th, do you recognize those? They have a Bates stamp number which has been obliterated.

A Yes. These are notes of mine.

Q Okay. Do you recall when you wrote those notes?

A They have to do with the Travel Office, yes.

Q When was that?

A The precise date, I can't tell you. The date's been obliterated.

Q Were these notes that you retained in your possession after leaving the White House?

A No.

Q Okay. Do you recall how they came to be produced to this committee from you?

A I assume that my counsel got them back from the White House. I assume that. The originals of these notes were in the possession of the White House, Barbara.

Q Did you participate in the production of documents at all to this committee?

A Yes, as I have previously testified.

Q Okay. Can you tell me what your notes say in the paragraph that is circled and an arrow is pointing to it?

A There on the first page?

Q I would like you to read from your notes, please.

A I am reading from my notes. "Focused on petty cash notebook with envelope in the front in locked credenza behind Billy R. Dale. Anyone in the office can make entry to petty cash."

Ms. Bracher. May the record reflect that Mr. Kennedy is not reading from his notes, but is reading from a letter which he has identified as being from Mr. Paul Castellitto.

The Witness. Now, let the record reflect --

Mr. Coffield. No, no.

The Witness. No, no.

Mr. Coffield. Let me make an objection here. He has obviously been through the process of trying to read that before and that's the reason that that letter is there. If -- I mean, I understand --

Ms. Bracher. Are you objecting to my asking the witness just to read what his notes actually say?

Mr. Coffield. I'm simply objecting that if there's no point in doing it, if obviously he has been through the exercise before and it's in black and white, then it serves no other purpose than to badger him.

Ms. Bracher. I apologize if Mr. Kennedy is having to do something again. However, those notes have never been read by Mr. Kennedy to anyone. There has been a letter which was signed by an attorney, that Mr. Kennedy has now represented he has very little information about the basis of the attorney's statement.

I am simply asking for Mr. Kennedy to actually read his own notes so that he can identify what is stated, rather than his attorney. I do apologize if you feel you have been through this before, Mr. Kennedy, but we are attempting to have a complete record by you, under oath, and not your attorney.

Mr. Coffield. I understand that. But this letter clearly states that this has been reviewed with him and that he believes the highlighted entry reads as follows; and then it quotes in black and white what he believes the entry read.

Ms. Bracher. Are you instructing your witness not to read from his notes? Because I will certainly respect that, and I will --

Mr. Coffield. Yes.

Ms. Bracher. -- take that to the Chairman.

Ms. Bracher. Yes.

The Witness. I think this is utter nonsense.

Ms. Bracher. Then I will go to the next question.

The Witness. I will respond to your question, okay, but I am going to read the exact words that I read before: "Focused on petty cash notebook with envelope in the front locked credenza behind Billy R. Dale. Anyone in office can make entry to petty cash." Now I have read it twice.

BY MS. BRACHER:

Q Now, can you please describe the circumstances under which those notes were brought to your attention back in October -- I assume back in October of 1995.

[Discussion off the record.]

Mr. Coffield. It's a privilege.

Ms. Bracher. Can you please state the privilege and the basis for the privilege?

Mr. Coffield. It's an attorney/client communication.

Ms. Bracher. Can you tell me who that communication is between?

Mr. Coffield. Between Mr. Kennedy and Mr. Castellitto.

Ms. Bracher. Okay. Were there any third parties involved in that privileged communication such as Mr. Goldberg from the Department of Justice?

Mr. Coffield. I believe that Mr. Goldberg, at least -- and I will tell you sitting here right now, I know nothing about this. I just saw this for the first time when you handed this document over, but it's clear to me, being someone who is just looking at the documents, that Mr. Goldberg may have had some conversation with Mr. Castellitto; but what you are asking about is the substance of a conversation with Mr. Kennedy and Mr. Castellitto, and that's a privileged communication.

Ms. Bracher. Which was obviously then communicated to Mr. Goldberg, who is a third party outside of the attorney/ client relationship. Is that correct?

Mr. Coffield. I think that to the extent, if you want to ask him if he read that letter, if he -- if he read that letter to Mr. Castellitto, read that note and put what's on there, you can certainly ask him, but it doesn't make any sense because it's in black and white. But anything beyond that is privileged.

Ms. Bracher. I believe my question was a little broader. I asked him the circumstances of him reviewing his own handwritten notes.

The Witness. Let's take a break. I want to take a break. I want to discuss this matter with my counsel.

Ms. Bracher. Certainly.

[Recess.]

Ms. Bracher. Let's go back on the record.

Mr. Coffield. We had a short discussion and anything having to do with the communications with his counsel, he is going to maintain the privilege.

Ms. Bracher. And certainly I don't want to go into communication -- you mean all communications, whether they pertain to his representation or not? You are going to claim a privilege over everything ever said to his counsel?

The Witness. Give me a break.

Mr. Coffield. No, I mean --

Ms. Bracher. I guess I need you to define the privilege.

Mr. Coffield. We are going to assert the privilege when it's proper to assert the privilege. We think this is a circumstance where the privilege is being properly asserted.

Ms. Bracher. Okay.

BY MS. BRACHER:

Q Putting aside the conversations to which you have asserted attorney/client privilege, can you describe the circumstances that you reviewed the notes that are attached to the February 26th letter?

Mr. Coffield. He is not going to be able to answer that because that's privileged.

Ms. Bracher. Okay.

Everything having to do with him reviewing his own personal notes in response to Mr. Goldberg is privileged?

Mr. Coffield. Is privileged.

Ms. Bracher. Okay. For the record, Majority counsel objects. Obviously, this is an issue that will be resolved by the Chairman of the committee. If he makes a ruling, he will confer with the Minority member, and a ruling will be handed down, in which case we may present questions at a later date for Mr. Kennedy to answer concerning these issues.

Mr. Coffield. Okay.

Mr. Goldberg. As Minority staff, let me just state that the witness is here voluntarily and there are lots of steps before that process takes place, and only the Chairman, after consultation with the Ranking Minority Member, can rule on objections.

Ms. Bracher. I think that's what I said, Mr. Goldberg.

Mr. Goldberg. I am just making a statement for the record that this is a voluntary interview and we need not resolve these

issues at this time and place.

BY MS. BRACHER:

Q At any time, was it ever suggested to you that the copy of your notes that you have just read from said something other than "focused"?

A Did anybody suggest that to me?

RPTS COLCHICO

DCMN VASSELO

Q Yes, sir.

A No.

Q Did you ever have any discussions about the relevance of this statement concerning the petty cash notebook?

Mr. Coffield. To the extent they are not privileged.

BY MS. BRACHER:

Q To the extent that it's not privileged.

A No. To the extent that privilege does not apply, no.

Q Okay. Did you ever have any discussions with anyone concerning these notes outside of the privilege claims you have made?

A Say that again.

Q Have you ever had any discussion with anyone concerning these notes outside of the privilege claims your attorney has raised for you?

A I have been questioned about those notes repeatedly.

Q Can you please explain?

A I have been questioned about those notes repeatedly. You have cited me some of the interviews in which I have been questioned about them.

Q So it's your testimony that the OPR interview questioned you about these notes?

A Which notes are you talking about? I'm talking about my notes taken on the Travel Office generally.

Q I am sorry. I am talking about this specific page of notes that you read.

A I am sure that I have gotten questions from people about those notes, yeah.

Q Do you recall the questions?

A I can't recall the specifics, no.

Q Outside of the privilege you have claimed, can you recall any discussions whatsoever about the specific page of notes occurring in connection with the Billy Dale trial?

A Occurring in connection with the Billy Dale trial, outside the privilege, no.

Q Did you ever talk with the White House about these notes?

A Okay. Are you talking about that page of notes?

Q Yes, I am.

A I did not talk to the White House about that page of notes in connection with the Billy Dale trial.

Q Did you talk with the White House about this page of notes at anytime in connection with anything, Mr. Kennedy?

A When you say, "Talked to the White House" --

Q Any individual who has worked at the White House or currently works at the White House.

A The short answer to your question is, as I previously testified, I gave Vince Foster a copy of these notes. I am pretty sure I gave Neil Eggleston a copy of these notes. Or maybe it was Cliff Sloan; I am not sure.

Q Did you discuss this page of the notes with any individual that currently works at the White House or previously worked at the White House?

A Obviously, I don't know all the people that currently work at the White House. But I don't recall discussing this page of notes with anyone at the White House currently.

Q How about anyone who previously worked at the White House?

A I have previously testified that I gave these notes to Vince Foster.

Q I am talking about discussions, Mr. Kennedy.

A Discussions with regard to what? I mean, Vince Foster asked me, can I have a copy of your notes? I consider those discussions. So the answer is, yes, I did.

Q Other than that discussion, do you recall any other discussions concerning this page of the notes that we have been talking about?

A No, I don't recall anything specifically as to that page.

Q Do you recall anything generally as to this page?

A I think a couple of people -- I think Vince even asked me what my -- my handwriting is kind of hard to read -- what some of the words meant.

Q Did it have to do with petty cash notebook?

A No.

Q Would it have to do with anything else on this page of notes that I have shown you?

A I don't recall any such discussion.

Q Okay. Were you aware that the Department of Justice was preparing a case against Billy Dale concerning the Travel Office?

A You bet.

Q Did you ever go through any of your notes or files to see if you had any documents that might be relevant to the preparation of the case against Mr. Billy Dale?

A Only in response to subpoenas.

Q So if a subpoena wasn't served on you, you did not go through your notes in preparation -- to look and see if there was anything relevant to the Billy Dale trial, is that accurate?

A Other than matters covered by privilege, that's correct.

Q Do you know what Brady versus Maryland stands for?

A Uh-uh.

Q Do you understand that if you had exculpatory documents concerning Billy Dale, that those would have to be produced by the Department of Justice?

A If you say so, I'll take your word for it.

Q Okay. Did anybody ever ask you if you had any documents relating to the Billy Dale case?

A Only by way of subpoena, and then matters covered by privilege.

Q Okay. Other than subpoena and matters by privilege, you never received any instructions to review your documents?

A With regard to what?

Q With regard to the Billy Dale trial.

A Other than subpoena and matters covered by privilege, no.

Q Okay. I have a message slip which was written to you on July 21st, from a Skip Clements, which I am showing you. Do you recognize that name?

A I do.

Q Who is that?

A It's a guy named Skip Clemens.

Q And can you please tell us who he is?

A He is a friend of mine. He works for Stevens, Inc.

Q What is Stevens, Inc.

A It's an investment brokerage firm in Little Rock.

Q Does he live in Little Rock?

A He does.

Q And how long have you known this gentleman?

A I couldn't tell you. Five, 6 years. I have known his family a lot longer than that.

Q Was he calling relating to any matter that's been under investigation by this committee?

A I have no idea of all the matters your committee has investigated. Ask your question a different way, please.

Q Perhaps you can tell us what he was calling about, if you know.

A He was probably calling to express condolences about Vince.

Q Did he know Mr. Foster?

A Yes, he did.

Q Do you recall this phone call specifically?

A I do not. It was not a good time.

Q Was there anything that he was participating in concerning White House matters?

A No.

Q That you are aware of?

A No.

Q Okay. On May 11th, 1993, you received calls from Mike Berman and -- I am sorry. On May 11th, you called Web Hubbell, Department of Justice, in the morning. Do you recall if you were talking -- what you were calling Web Hubbell about at the Department of Justice?

A I do not recall with specificity, no, I do not.

Q Do you know if it has anything to do with the Travel Office matter?

A I am relatively certain that it does not.

Q Okay. Earlier, when we were talking about Vince Foster's files and you were talking about indexes that had been created about those boxes, had you ever seen any of those indexes?

A No. I was told when the boxes were developed -- excuse me-- when the boxes were delivered, that there were indexes inside of them.

Q You never saw any of those indexes that you were relying on?

A I'm not relying on any indexes.

Q Or that you testified that you were sure other people were going through in response to subpoenas.

A I'm testifying that that's what I thought was happening.

Q Okay. But you never saw any indexes for these documents?

A I was told that there were indexes inside the boxes.

Q Who told you that?

A Incidentally, his name is Tom Castleton. He told me.

Q Okay. At anytime, did anyone else mention that the documents had been indexed and that they were relying on indexes to go through the documents that had been delivered to your office?

A I think that I knew that someone had gone through an effort to index Vince's files. Okay? I think I knew that before the boxes were delivered.

Q Other than Mr. Castleton's handwritten index, are you aware of any other indexes or alleged indexes of Mr. Foster's files?

A I believe, but don't hold me to this, that there were computerized indexes of these files, I believe.

Q Did you ever see them?

A No.

Q Did Mr. Cerf ever have any indexes that you were told of?

A I can't recall whether he said -- I mean, if there were indexes in the box, he got them. So he had those. And I can't recall whether he ever said that these computerized indexes ever existed or not. I don't know. I just think they did.

Q Do you know -- I mean, can you tell me anyone that you believe might have told you that they exist or might have had them in their possession at any time?

A Well, the -- it seems like to me, and maybe this comes from press reports, that these documents were catalogued sort of shortly after the initial run-through, which had been the subject of so much intense focus by Bernie. It seems like that's what I remember, that they were catalogued at that time. I didn't do it myself.

Q I guess I'm asking in the context of the fact that you weren't opening these boxes and reviewing them because you believed there were indexes. So I was just wondering what basis you had for believing there were indexes?

A I was told by Mr. Castleton, when they were delivered, that there were indexes. I also remember that -- you know, but I can't remember the source of it, with particularity, that there were other indexes created.

Q Okay. Do you have in your possession any indexes?

A I do not.

Q Have you ever had any of those indexes in your possession at any time?

A When they were in the boxes, I guess you could argue that they were in my possession, although I would dispute you on that.

Mr. Coffield. Surprise.

BY MS. BRACHER:

Q On May 13th, there's a series of telephone calls between you and Mr. Hubbell. Do you recall what you would have been calling Mr. Hubbell about on May 13th?

A Not with particularity, but I'm willing to bet you they had to do with nominations.

Q Okay. Do you recall if you mentioned the Travel Office during this period to Mr. Hubbell?

A I do not believe that I did.

Q Okay. Do you know a Mr. Seigle from the White House?

A Seigle?

Q Uh-huh.

A Do you know his first name?

Q Peter Seigle.

A Peter Seigle?

Q I believe he worked in the Office of Administration.

A Peter Seigle? The name is not ringing any bells, but that's not to say that I didn't know him. I just don't remember it. Peter Seigle.

RPTS STEWART

DCMN PARKER

BY MS. BRACHER:

Q Did there come a time when you learned that KPMG did not perform an audit but that it was a management review?

A They told us at the time when it was going on that the Travel Office records were in such a shamble that an audit was not possible.

Q Did they use the word, "shambles"?

A Uh-huh.

Q You specifically recall them telling you the records were in such a shambles?

A Uh-huh.

Q Do you recall who told you that?

A Probably Larry Hermann. May have been Jack --

Q And until that time you believe that they were trying to perform an audit at the Travel Office?

A That is what they started out to do is perform an audit. After they got into it they realized they couldn't do it. It was such a mess.

Q What is your basis of your belief that that is what they started out to do, an audit?

A That is what they were asking.

Q By whom?

A White House counsel's office, David Watkins.

Q By White House counsel's office would that have been you that asked them to do an audit?

A As I testified before, it would have been me or Vince Foster, yes, telling David Watkins that's what we needed to do and him agreeing to that.

Q If someone were to tell you that they never intended to do an audit, in fact, never sent in an audit team to the Travel Office, would that surprise you?

A Are you talking about something internally at Peat Marwick?

Q No, I am talking about auditor and management review personnel.

A Are you saying that somebody said -- I can't remember your question specifically. You said something along the lines of if somebody said that they never intended to do an audit would that surprise me, yes.

Q Did there come a time when you learned there wasn't an audit?

A Yes.

Q When was that? Was that only when they told you they couldn't do it because of the disarray?

A They basically told me in the first case they didn't think they were going to be able to on Friday and they confirmed it on Saturday, if I remember correctly.

Q When the press reports were coming out that an audit had been performed did you try to correct those statements as incorrect since you knew it wasn't an audit?

A I don't know for sure that they finally determined this until sometime later than that, then at that point the train had left the station.

Q What do you mean by the train had left the station?

A I mean the announcement of the audit had already gone out, I guess.

Q Let me put the press reports in time on May 19th after the firing when the White House press, namely Mr. Stephanopoulos and Miss Dee Dee Myers were stating there had been an audit performed by Peat Marwick. You were aware at that time it wasn't an audit?

A That is correct.

Barbara, I am not sure. Probably so. I remember, as I said, on Friday and Saturday they said they didn't think they could do one.

Q And after the firing, were you in any meetings, in fact, where Mr. Hermann made statements that he had not performed an audit and that these press reports coming out of the White House were incorrect?

A Not close on the events at hand, no, I don't remember that.

Q Did that happen at some later time?

A I mean, I had it in my mind they were going to be unable to conduct an audit from Saturday on, but I didn't have confirmation of that until some point later on. I can't tell you exactly when.

Q What did you think they were doing if they weren't doing an audit? Did you know they were doing a management review?

A There are levels of basically auditing processes below a full audit. I figured they would do whatever they could. They did not know when they went in that they would be unable to conduct an audit. At least that is what they said.

Q That is information that KPMG Peat Marwick said to you?

A That is what Larry Hermann or Jack Miller said to me.

Q You know a difference between the audit in the lower levels because of your prior experience; isn't that true?

A I am familiar generally with them, yeah. But the longer answer to your question is I would not have considered it a distinction worth making to try to go back and correct the press reports.

Q That there had been no audit would not have been a distinction you would have thought was important?

A Uh-uh. There is not a whole lot of difference between an audit and a management review in my opinion.

Q What is that opinion based on?

A Previous experience in the practice of law.

Q So if you were advising your client that they were going to have an audit or management review, that would not be a great distinction in your mind?

A That is basically true; it is a difference of degree.

Q Did there come a time you called them a performance review team rather than auditors?

A Me?

Q Uh-huh.

A No, not that I recall.

Q Similarly calls that happened on the day of the firing between you and Mr. Hubble, would those have had anything to do with the Travel Office matter?

A Not that I recall, Barbara. I am pretty certain they had to do with either judicial or Justice Department nominees.

Q On May 20th after the firing, did you have a discussion with Mr. Nussbaum where you told him to the effect there was a slippery slope and he should get involved in the Travel Office matter?

Mr. Coffield. Are we reviewing his notes at this point?

Ms. Bracher. I am not sure if they are his notes or a statement. I am just asking if he recalls making that statement.

Mr. Coffield. The last couple of questions you asked seemed to ring a bell with me about specific entries in notes. If that is what we are going to be asking him questions on in order to facilitate you getting the answers that you want, it would probably be easier to let him look at those note entries.

Ms. Bracher. I would rather not refresh his recollection if he had a present memory. I would rather see if he has any present memory of a discussion with Mr. Nussbaum.

Mr. Coffield. I thought earlier when we talked about the parameters of how this was going to be done, if you were going to be referencing portions of notes or things like that that he would be given an opportunity to look at them.

Ms. Bracher. Certainly, if I am going to ask him questions about his notes specifically, I will show him the notes to ask him the questions. I am asking if he has any present recollection about that conversation with Mr. Nussbaum.

Mr. Coffield. All I am saying is --

Ms. Bracher. Are you asking a question that I am asking if he has any recollection of a discussion with Mr. Nussbaum?

Mr. Coffield. All I am trying to do is that we stated earlier when this began if there were references to things that were in writings and documents he be given an opportunity to look at those.

Ms. Bracher. There was an oral conversation with Mr. Nussbaum.

Mr. Coffield. I think the source of your -- I believe, and correct me if I am wrong, it sounds to me like you are going down a laundry list of notes he has taken. If that is the case, I think it is fair to him to have the opportunity to look at those notes. Then he can, number one, use it to refresh his recollection, get to the heart of the matter quicker.

Ms. Bracher. I don't think we found out his recollection wasn't fresh. I don't want to refresh it if he has a present recollection. If you have an objection to me asking him about his present recollection of a conversation with Bernie Nussbaum, please state it for the record. Otherwise, I would like to ask him if he has any present recollection.

Mr. Coffield. But I just want to make clear for the record we are deviating from what we discussed earlier.

Ms. Bracher. Fine, let the record reflect that we are deviating from what we discussed. I am not sure when we discussed this. I assume this was a discussion prior to this deposition.

Mr. Coffield. Uh-huh.

Ms. Bracher. Okay.

BY MS. BRACHER:

Q Do you have any recollection of any conversation with Bernie Nussbaum where you were asking him to get involved in the Travel Office matter the day after the firings?

A I recall asking Bernie to get involved. I don't recall slippery slope, and I don't recall the date but, yes, I did.

Q Why were you asking him to get involved?

A Because he hadn't been involved before.

Q And what specific involvement did you feel was necessary at that time by Mr. Nussbaum?

A Basically the interaction with regard to the Travel Office -- up to that point whenever that conversation occurred, you know, Vince may have been talking to Bernie but I was not, did not, and I just felt like things were reaching a stage that he needed to get his arms around it and get involved. I don't know if it was on the day of the firings, the day after the firings, or whenever it was determined over the weekend that the investigation was going to go forward, but I felt like he needed to get a more heavy involvement.

Q There were calls that you made on the day after the firing about seeing Bruce Lindsey and meeting with him at 4 o'clock. Do you recall meeting with Bruce Lindsey the day after the firings? I think it was approximately 4 o'clock.

A Not specifically, but it is certainly possible that that would have happened, and it probably had to do with nominees.

Q Do you -- were you dealing with Bruce Lindsey the day of the firings on any matters that have to do with the Travel Office investigation which would include Harry Thomason?

A I don't recall doing so. Bruce at the time was head of the Presidential personnel, and I asked him many times about nominees.

Q Lorraine Voles made a call to you on the day after the firing and left you a message that said re: FBI investigation. What participation, if any, did Lorraine Voles have in the FBI investigation?

A I am probably certain it had either to do with his own investigation or the investigation of someone he was responsible for. I don't remember who Lorraine was with at that time.

Q Can you briefly tell us what her own investigation was?

A With the caveat I don't remember where Lorraine was or what she was doing at this point in time. It could have been with regard to her own FBI background investigation.

Q Rather than a Travel Office related matter?

A Yes.

Q I believe Lorraine Voles was in the Vice President's office doing NPR. Would she have called you about NPR issues connected with the FBI investigation?

A I don't think so, no. Like I say, I think it related to -- it must have related -- I don't remember discussing it with her at all. It may have, but I just don't recall it.

Q The day after the firing, Patsy Thomasson and then 4 minutes later Vince Foster called you in the afternoon right before you went in with Bruce Lindsey, the meeting with Bruce Lindsey. Do you recall any matter that would have to do with the Travel Office that they would have been calling you about?

A Vince could have been calling about wanting to know where the FBI stood, what was going on. He could have been calling about that. He could have been calling about something else. I am sorry I don't remember. Patsy most certainly could have been calling about the Travel Office. If it was the day after the firings, we were beginning to interface with the FBI with regard to actually conducting the investigation.

Q Did Neil Eggleston the day after the firing discuss possibly representing one of the Travel Office people with you?

A Did Neil Eggleston discuss representing one of the Travel Office people? No, not that I recall.

Q Were you aware of the issue concerning David Watkins reading Catherine Cornelius' memo?

A What issue is that?

Q That there was a question whether or not he actually read Catherine Cornelius' February 15th memoranda concerning the Travel Office.

A Was I aware at what point in time?

Q Well, it became an issue after the firing and so I guess -- first of all, were you aware of the fact that he had instructed others that he had never read that memo?

A No, the only time I became aware that there had indeed been such a memo was from press reports, and all I know about what David Watkins did was from press reports.

Q Did you or anyone in the counsel's office discuss the fact that David Watkins had told Clarissa Cerda and Catherine

Cornelius to say he had never read the memo?

A I don't know whether he did or didn't make such a statement.

Q It was never discussed by you or any other attorneys in the counsel's office?

A Not that I know of.

Q Did you provide any advice as a representative from the White House counsel's office on the propriety of Stephanopoulos with Collingwood about the FBI response?

A No, as I told you that meeting was going on when I showed up.

Q I know that but at any time did you ever provide any legal advice or did anyone else in the counsel's office provide any advice concerning the propriety of the revision of the FBI response by Mr. Stephanopoulos?

A I did not. I can't speak if anybody else did.

Q Did you have any knowledge whether anybody else was looking at that issue?

A No, I did not.

Q After the firing that Friday, I believe World Wide Travel had announced that they were leaving and there was going to be a bid which involved American Express. Were you aware that that process was going to go on that weekend?

A At some point that was announced I think in a staff meeting they said that, you know, World Wide is leaving and we are going to put it out for bid. I think at the same time we were told that they were going to give the five people -- five of the seven people other jobs.

Q Did you ever provide any advice to Patsy Thomasson about the propriety of her meeting with American Express that Friday before the bid?

A Did not.

Q Were you aware she had a closed-door meeting with American Express before the weekend bid?

A Was not, am not.

Q I assume you were aware that anybody else in the counsel's office would have been providing advice to her about the propriety of that meeting?

A It could have happened. I don't know. I did not do it.

Q Did the FBI ever mention to you that she had asked them to guard the door while she had the meeting?

A No, no.

Q Did she ask you to have the FBI guard her door during that meeting?

A No.

Q And that you told her it was not appropriate for the FBI to guard her door during that meeting?

A If she had asked me, I certainly would have said that, but I don't recall her doing that.

Q If she made that statement you would say that would be incorrect?

A If Patsy remembers asking me whether it would have been appropriate, obviously I stand behind my testimony I don't recall that conversation. If she had asked me I would have said it was inappropriate.

Q Well, I guess it is not whether she asked you whether it would be, but that she actually asked you to have the FBI guard her door.

A I certainly don't recall that.

Q Did the FBI contact you I guess toward the end of the week and over the weekend and the following week after the firings about receiving a copy of the KPMG report?

A Yeah, they wanted a copy of it as soon as it was available.

Q Do you recall why they didn't get a copy until after it was released to the press?

A I am not sure that that is accurate. I thought they did get one before that.

Q Were you the one who sent the copy to the FBI?

A It seems like I did.

Q Were you ever told by FBI Agent Carl that he felt that you and the White House or those at the White House were sandbagging him by not giving him the KPMG report?

A Absolutely not.

Q You don't recall that kind of language being used by the FBI when trying to get the report out of you?

A Uh-uh.

Q On May 24th, which was the Monday following the firings, there was an urgent report which was sent over to Attorney General Reno and Web Hubble and Mr. Hermann. Do you recall -- did you have any conversations with Mr. Hubble on that date about the Travel Office matter or the urgent report that was sent over to them?

A Urgent report sent over by whom?

Q By the FBI to Attorney General Reno and Mr. Hubble concerning the Travel Office investigation.

A On what date?

Q May 24th, that is the Monday after the firings.

A No, I don't recall any such conversations.

Q Also on that Monday after the firing, Patsy Thomasson called you that she was in the Travel Office and asked if you were on the way. Craig Livingstone called you that he was in the Travel Office. Can you tell us what was going on in the Travel Office; that is that Monday after the firings.

A Probably -- this is a guess -- I had have to see the telephone messages, but probably they were talking -- they were concerned with or dealing with issues of how to make information available to the FBI.

Q And do you remember when the FBI took possession of the Travel Office documents?

A I do not recall.

Q Would it surprise you if it was not until a month later?

A Possession of the actual documents? I don't know.

Q Were you involved in deciding about documents security after the firings?

A Only in the most general terms. I mean we discussed it with Patsy that we had to be sure, and when Peat Marwick went in, the documents were not destroyed like that, but only in sort of general principle terms.

Q I guess after the firings Peat Marwick was done. Did you discuss document security?

A Peat Marwick was around, if I remember correctly, for several days after the actual firings.

Q And were they handling documents after the actual firings?

A They were winding up what they were doing.

Q And I guess World Wide Travel was also in the Travel Office, isn't that true?

A I believe so.

Q And Penny Sample from Air Advantage was in the Travel Office?

A I don't know that for a fact, but I believe so.

Q Did you direct anyone to discuss with them about security of the records and the documents concerning the FBI

investigation?

A No, I mean I talked with Craig Livingstone and I talked with Patsy about it but again only in we need to make sure, however makes the most sense to do so, the documents aren't destroyed or lost.

Q On Tuesday, May 25th, which is the week after the firings, there were several chronologies that were prepared in a meeting with Mack McLarty. Do you recall participating in the preparation of chronologies either alone or with others in this meeting or as a result of this meeting?

A I remember that they were -- and I attended this meeting, if it's the same meeting that you are talking about -- I attended a meeting with Mack McLarty, I think, on the 25th, and I remember that there was a discussion about a need to get a chronology, but I don't recall being asked to either prepare one or to participate in the preparation of one. That is not to say that I didn't look at it or something, but I don't recall it.

Q On that Wednesday, which is one week after the firing, there are several calls that involved Jennifer O'Connor to you and Clarissa Cerda to you and I guess ultimately Clarissa Cerda said she wouldn't be at the 1:30 meeting on that Wednesday. Do you know?

Mr. Coffield. Is that the 26th?

Ms. Bracher. That is the 26th, Wednesday, one week after the firing.

Q Do you know if there was a 1:30 meeting and what that 1:30 meeting involved?

A Don't have a clue. I mean, it could have involved anything.

Q There was some calls on May 27th, Thursday. Jennifer O'Connor called you and Peat Marwick, I believe, called you with some concerns about the reports that were coming out of the White House about their Peat Marwick review. Do you recall that?

A The short answer is, no, I don't. I talked to Larry Hermann a couple of times sort of after the dust had settled. And I just don't -- you may have mentioned that there was some unrest or something inside the Peat Marwick, but I don't remember any specifics.

Q Do you remember any comments to the effect that they had never said gross mismanagement that was reported by the White House and the press conferences?

A No, I don't remember any conversations like that.

Q Do you remember any conversations either using the words, "gross mismanagement," or "concerns" by Peat Marwick that the White House had stated conclusions that they had not, in fact, reached in their review?

A I don't recall such concerns or such conversations.

Q On the day Mr. Foster was interviewed by the White House management review, which was June 3rd, did you meet with Mr. Foster or discuss the contents of the White House management review interview with him?

A I did not.

Q Did he ever express any concerns about the role of the First Lady coming out in the White House management review with you?

A He did not.

Q Do you know if he ever expressed these concerns with anyone else other than you?

A I do not.

Q So that would include Todd Stern or Neil Eggleston or Bernie Nussbaum?

A You will have to ask them about conversations they had with Vince Foster.

Q I am just asking you if you are aware of any of those conversations?

A I previously said, no. I know the contents of the White House internal management report as it came out, but what was said I don't know.

Q June 11th, 1993, the IRS was contacting Catherine Cornelius about the Federal excise tax issue. Were you aware at that time -- did Catherine call you or were you aware that the IRS was calling Catherine about this audit?

A No, ma'am I was not.

Q Who is John Emerson?

A He was -- he worked for either the White House or the Executive Office of the President.

Q Did he handle any Travel Office related matters?

A No, ma'am, not that I know of.

Q Do you recall what he did?

A I don't know what his job description was at that point in time. I just don't recall. I don't know precisely what he was doing. It had to do with sort of local politics issues, but I don't know that for a fact.

Q On June 15th of 1993 Mr. Foster left you a message that he needed you at a meeting at 2 o'clock the following day in his office with John Emerson and others. Do you recall meeting with John Emerson?

A I probably did. I can't recall the substance of it.

Q On June 21st there is a series of calls from Patsy to you as well as Todd Stern to you and Mr. Foster. Do you recall any activity on June 21st, 1993, that would have prompted Travel Office related calls to you?

A Sorry, I do not. June 21st -- June 21st -- I am sorry, I don't recall. I don't know of anything that would have been going on at this point other than press reports and investigations.

Q Did you ever have any meetings in the White House residence concerning business matters?

A Yes.

Q Were any of these at all related to Travel Office matters as I stated in the opening scope?

A No.

Q On July 2nd do you recall having a dinner at the White House that was attended by you and Mr. Watkins?

A July 2nd?

Q July 2nd which was a Friday night.

A If you tell me there was one I attended several and so, yes.

Q Do you recall discussing Travel Office matters or the reviews or investigations with anyone at that dinner?

A No, I do not, uh-uh.

Q Do you recall attending a dinner at the White House residence with Vince Foster right after the firings and I think a movie was shown, "The Firm," if that helps refresh your recollection?

A We attended -- I think we attended the movie, but there wasn't any dinner involved.

Q Do you recall anything coming up concerning the Travel Office while you were up there with Mr. Foster?

A No, I do not. I mean, I am sure -- what's the date again?

Q I don't have the date of the movie.

A Whether it was post --

Q It was post firing?

A If it was post firings and post press fire storm, I am sure there were comments about things on a general basis, but there would be no specifics.

Q Actually, I correct it. I think it was July 16th, two days before the firing when you were up there with Mr. Foster?

A July 16th it can't be two days before the firings.

Mr. Coffield. July 16th?

Ms. Bracher. May 16th.

The Witness. No, that can't be right. May 16th, let me get my days right. Friday would have been -- no, Saturday would have been the 15th?

BY MS. BRACHER:

Q The 16th was Sunday night.

A I don't remember going to a movie that night, but I may have.

Q I guess to put it in context it would have been right before the firing?

A No, the firing was on a Wednesday.

Q Right, well it would have been a few days before the firing that you were up in the residence watching a movie that was attended by you and Mr. Foster?

A I am sorry, I mean, if you are going to be talking in that time frame, I don't remember -- I don't remember that a movie intervened here, but that is not to say it didn't. Now, if it was -- it was the Sunday following the Saturday meeting, as I testified, I don't remember attending any meetings that Sunday night and I stand by that. If there was a movie there and I went, and I saw Vince, I would have given him a status report because I hadn't seen him since then.

Q It was attended by the First Lady and the President. Would you have given him the status report in front of them?

A Absolutely not.

Q Why do you say absolutely not?

A Because we wouldn't have discussed business in front of them.

Q On July 6th, 1993, there was a message from Catherine Cornelius that said she was going to leave town for a while and would like to talk to someone before she leaves regarding a reassignment. Do you recall?

A This is a July 16th message to me?

Q It is to you and Mack McLarty and I am not sure who responded to it, I am just asking if you responded or you recall her calling you or did you have any subsequent discussions with her regarding her reassignment in July of '93.

Mr. Coffield. Did you say the 6th or the 16th?

Ms. Bracher. July 6th 1993.

The Witness. Joint phone message to me and Mack McLarty?

BY MS. BRACHER:

Q She may have called both you or either called both you jointly or individually. And I apologize. Some of our information is cryptic, too.

A The short answer is I recall receiving no such message from Catherine. This is pure speculation, which I know I am not supposed to do. The only reason Catherine would have been talking to me would have been to be sure that it was okay from the perspective of the investigation for her to be gone for a while. That is the only reason. I have nothing to do with assigning her or not assigning her.

Q I think it is likely Bill Burton -- Bill with no last name and it was likely that it was Bill Burton.

A That is correct.

Q I just wanted to see if you remembered any call.

On July 20th, I guess Marsha Scott stopped by to visit you that day. Do you recall if she mentioned any conversations that she had had with Mr. Foster about the Travel Office or relayed any information concerning the Travel Office to you?

A On July 20th?

Q Uh-huh. She stopped by to see you at 11:55?

A No, Marsha and I are friends and have been friends for a long time. As I testified previously, I do not recall her telling me about any conversations she had with Vince.

Q And Vince, I guess, paged -- Mr. Foster paged you that day a couple of times in the morning. Do you know if that was connected with Marsha Scott's visit to you or in any way jogs your memory about what she might have stopped by to see you about that morning?

A No, Vince and I traded phone calls that day. Never talked to him.

Q That same day September 27th, 1993, when we were talking about your GAO interview, you had lunch with Mr. Hubble. Do you recall if any Travel Office issues were discussed or the context of the GAO interview, if the substance was discussed with Mr. Hubble.

Mr. Coffield. September 27th?

Ms. Bracher. 1993.

The Witness. No, I don't. You know.

I did not discuss the specifics. I may have told him that I was going to be interviewed but that would have been it, and I don't remember doing that.

BY MS. BRACHER:

Q Okay. In October 7th '94, Mr. Serf, Chris Serf, received some communication from you where you told him that the GOP 10794 only had passing generalized reference to the First Lady's conversations with no specific quotes.

A Say what?

Q There is a conversation either that you had personally with Chris Serf or some notation that you gave him where you discussed the GOP 10794 report, which was a report that was issued by the Chairman concerning the Travel Office matter. And in that communication you had with Mr. Serf you noted that there was only passing generalized reference to the First Lady's conversations without specific quotes. Do you recall having any discussions with Mr. Serf regarding how much information we had on the First Lady?

A Do I recall it specifically, no. But it is not to say it sure didn't happen. There wasn't any official capacity. I don't recall that conversation, but it certainly could have occurred.

Q Were you --

A Did I review that report? You bet I did.

Q And did you review it to see how much information we had concerning the First Lady?

A I did not.

Q Is there any reason you would have relayed that to Christopher Serf in particular that the First Lady's --

A There had been speculation in the press about Mrs. Clinton's involvement or noninvolvement because of it at that point in time, so the short answer is I will be interested in what your side of the aisle's position on that would have been, other than that, no.

Q Other than this no one in the White House suggested or there was no one who wanted you to look and see --

A Nobody asked me to do that.

Q It was just your idle curiosity?

A My curiosity is never idle.

Q It was just your own curiosity that would cause you to report that to Christopher Serf?

A I didn't report that to Christopher Serf. First of all, I don't know what your source is. I am assuming that, I mean it must be some recollection that he has. I don't remember this conversation. Okay he may have said what's in the report, I don't know. I just can't recall.

Q You don't remember specifically highlighting the First Lady's involvement?

A I don't know if that remark was taken out of context. I don't know if it was included in a larger discussion about what you all said about me. I don't recall the conversation at all. If you tell me it is written down somewhere I am not saying it didn't happen, but I am saying there is no particular focus on the First Lady.

Q That was my question, if there was a particular focus?

A Absolutely not.

Q There are calls that you made after leaving the White House in November of '94 that you made to Bruce Lindsey from Arkansas. Would those have anything to do with anything in the White House Travel Office matters?

A No.

Q So any calls you made to Bruce Lindsey in 1995 were totally unrelated to the Travel Office matters?

A Yep.

Ms. Bracher. That is the -- if there is anything else you would like to put on the record, I am done. Mr. Goldberg has a couple of questions.

Mr. Goldberg. I have just two questions for you Mr. Kennedy.

BY MR. GOLDBERG:

Q When you contacted the FBI with Jim Bourke of the FBI that time prior to the audit review taking place, did you have any discussion, was anybody else at the White House about contacting the FBI prior to the making of the phone call?

A Prior to making the phone call?

Q Right.

A The very first phone call I made? No.

Q Can you explain again why you decided you needed to talk to Jim Bourke?

A Well, again, I had a good working relationship with him. He was somebody that I trusted, and I felt he reciprocated that trust. He was knowledgeable.

Q What specifically, though, were you requesting?

A Help. The specific question was I have got a problem over here. I don't know how to deal with it. I think that I probably need auditing or financial auditing help. I don't know where to get it. I don't know what's going on here. Can you help me? Can I talk to someone about a way to deal with this problem.

Mr. Goldberg. Thank you very much, that is all?

Ms. Bracher. Just one moment.

I guess the record is complete. I state there will be five days where obviously you have access to the report to make any corrections and we do ask you take that time to review the report. If you do review it, Mr. Kennedy, we have asked all witnesses to sign it at the end of that five days and we will make the same request to you. Obviously, you must proceed as you feel it proper. We do ask that you sign the report.

The Witness. Let me put it on the record, my position on this. I do not intend to come back up here at my expense to examine a copy of this deposition. You can send me a copy so I may read it. If you choose not to or if you feel you are bound by your procedures or the resolution, or for any other reason from doing that, I will not -- and I want this on the record -- I will not sign that deposition. Period. I will also not agree that it is accurate and I will not be bound by, to the extent I have the power, by what it says so I am inviting you to talk to the Chairman or whoever and figure out whether you can send this to me in Arkansas.

BY MS. BRACHER:

Q I guess the final question is you sat here all day and you realize all of your answers have been under oath today?

A Yes.

Q And have you answered all of the questions truthfully to the best of your ability sitting here today?

A I have a question for you, Barbara. Is this good woman and her cohorts and comrades, are they machines?

Q I take that as a "yes" or a "no", Mr. Kennedy?

A No. The short answer is this, Barbara. Yes, I have answered truthfully. I am not sure they were able to take down my answers verbatim, my questions, or your questions verbatim. That is why I believe we have the review process set up I would like to have.

Q We have cassette tapes of this interview if you need to review them at any time.

[Whereupon, at 3:57 p.m., the deposition was adjourned.]

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

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In the matter of: :

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WHITE HOUSE TRAVEL : DEPOSITION OF

: WILLIAM H. KENNEDY, III

:

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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.

Appearances:

Staff Present for the Government Reform and Oversight Committee: Barbara Comstock, Investigative Counsel; Barbara Olson, Chief Counsel; Laurie Taylor, Assistant Counsel; Kristi Remington, Investigator; and Donald Goldberg, Minority, Assistant to Counsel.

For WILLIAM H. KENNEDY, III:

JOHN CONRAD HANKS, ESQ.

WILLIAM F. COFFIELD, ESQ.

Sharp & Lankford

1785 Massachusetts Avenue, N.W.

Washington, D.C. 20036

Ms. Comstock. We are on the record this morning for the deposition of Bill Kennedy, which will be administered under oath.

I will identify the people present in the room. My name is Barbara Comstock; I am a Majority investigative counsel. Laurie Taylor is assistant counsel. Our chief investigative counsel, Barbara Olson, is here and also Kristi Remington, assistant counsel in our office. Don Goldberg from the Minority staff is also present.

We are conducting this deposition pursuant to House Resolution 369, which I believe you are familiar with, Mr. Kennedy, from a previous deposition so I will not go through the previous statement of scope this morning.

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?

A Vince Foster.

Q Had you informed anyone else besides Mr. Foster?

A No. Well, I mean the answer is yes; when the allegations hit the press, yes, I talked to Mr. Nussbaum.

Q And what did you tell Mr. Nussbaum?

A That the allegations were false.

Q And why was that?

A Why was that what?

Q Why were they false?

A They weren't true.

Mr. Coffield. I remember -- I can't remember with specificity going through the scope of the investigation, but I don't think it's going to wade into his tax problems with his nanny.

Ms. Comstock. No, I am trying to find out who he talked with about these problems.

BY MS. COMSTOCK:

Q Did you ever have any discussions with anybody in the counsel's office about the suitability of Craig Livingston for this position?

A I need to amplify an answer, I have been thinking about your previous question. These allegations about nanny problems came up at a time when Bernie Nussbaum was leaving and Lloyd Cutler was present, so I also discussed them with Lloyd Cutler.

Q Thank you for clarifying that.

A You asked a question?

Q Why don't I go back. You don't know who hired Craig Livingston or how he came to have the position as Director of White House Personnel Security?

A No, Craig Livingston had been identified as being sort of the person for that post when I arrived.

Q Do you know who identified him as that person to be in charge of that?

A No, I do not.

Q Do you know if it was somebody in the counsel's office?

A I do not know.

Q Do you know if Bruce Lindsey was involved in his hiring?

A I don't think Bruce Lindsey was, but I don't know.

Q At that time was Mr. Lindsey in charge of personnel?

A He was in charge of Presidential personnel, yeah.

Q Did there come a time when you had any discussions with Mr. Livingston about any concerns that you had about his background?

A Yes, there were.

Q And could you describe what those conversations were?

Mr. Coffield. I don't think he can under the Privacy Act.

BY MS. COMSTOCK:

Q Did you ever express to anybody any --

The Witness. Let me discuss something with my counsel.

[Witness confers with counsel.]

Mr. Goldberg. Would you read the previous question.

[The reporter read back as requested.]

BY MS. COMSTOCK:

Q I think we will stay away from anything that you know for privacy matters.

Mr. Coffield. And his concern is, too, whether it enters into a privileged area, too.

BY MS. COMSTOCK:

Q Why don't we stick to -- did you ever have any discussions with anyone in the counsel's office about any concerns that you had about Craig Livingston's suitability for the position he was in at the White House?

A Yes, I discussed them with Vince Foster, deputy White House counsel at the time.

Q And did Mr. Foster express an opinion on whether Mr. Livingston was a suitable individual for the position of heading up White House Personnel Security?

A No, he didn't -- you know, he didn't know Craig any more than I did when I arrived, and he suggested that I -- I can't remember exactly -- he suggested that I talk with someone named Christine Varney who worked at the White House who had worked with Craig in the campaign.

Q And did you do so?

A I did.

Q Okay. Can you tell us what Ms. --

A I'm sorry; I mean what I was discussing was stuff contained in Craig's background and I don't believe I can discuss that.

Q Did there come a time when you considered having somebody else in that position?

A No, first of all, it wasn't my decision to make, and, second of all, the only concerns I had concerned these matters which were not -- I don't know how to describe them. They were items of concern, but they were not killers as it were. And once they were discussed, that was the end of that.

Q Do you know whose decision it would have been to change Mr. Livingston from that position?

A You're asking me to speculate. I don't know. I do not know how Craig was identified for this job. It was done before I got here. I do not know. You know, it would have probably gone through normal channels in the White House, okay? But at this point in time early in February or -- well, it would have been a little bit later, those channels were still in the process of being worked out.

Q Do you have any idea what channel this went through to hire Mr. Livingston?

A I do not. I'm sorry.

Q And you didn't know who you needed to talk to if you didn't want him to be in that position?

A Well, I mean obviously, I followed -- I talked to Mr. Foster about these concerns. Okay? And that's where I thought I was supposed to go.

Q Do you know if Mr. Foster ever raised this with anybody above him?

A I do not know.

Q Did he ever say anything to you after that he had talked to anybody else about Mr. Livingston?

A He did not. He did not.

Q Do you know if Mr. McLarty was ever consulted on Mr. Livingston's suitability?

A I do not know. To my knowledge, he was not, but I can't say that across the board. I just don't know.

Q Were you aware that reviewing background files was a sensitive position in need of attention to detail and high integrity?

A You bet.

Q Did Craig Livingston meet this description in this position?

A Yeah, I think so.

Q What in his background made you think this was a position that he was suitable for?

A What background are we talking about?

Q What about Craig Livingston made you feel that he would be an appropriate person for this position?

A Craig Livingston had been identified for this position before I got here. That decision was made by others. I came to know Craig as an honest, hard working person. I felt he had sufficient attention to detail to deal with this job. Overall, I thought then and think now he's done an okay job with it. I really have to say I don't understand your question I'm trying to respond to.

Q What efforts did you take to make sure that Craig had the proper training for this position?

A Craig had no experience in these matters. Neither did I, and so we engaged in OJT, on-the-job training. He got as many briefings as his schedule would allow to allow him to learn security procedures. He worked intensively with Ms. Gemmell, she was the former director of the office, and learned as much from her as he could. He just did his best to get up to speed. I helped him whenever and wherever I could.

Q Do you know who provided him with briefings?

A You'd have to ask him. I don't know. I think he received some briefings from the Secret Service. I think he received some briefings from the CIA. He may have gotten some from the FBI. You'd have to ask him. But I know he was fairly diligent in trying to get up to speed on the things he should be doing.

Q Were you aware of him also working on advance at this time at the White House?

A I don't recall him -- I mean, you'd have to tell me what your definition of "advance" is.

Q Going on trips, working on setting up advance for trips and making arrangements such as he had done during the campaign.

A What time frame are we talking about here?

Q In 1993.

A He didn't do very much of that. He did some of that. He also helped in arranging security for and assisting in the conducting of events at the White House. He did some advance work, but not very much, if I recall correctly.

RPTS COLCHICO

DCMN QUINTERO

[9:50 a.m.]

Q Okay. You had mentioned Ms. Gemmell. I believe Jane Dannenhauer, actually, had be the prior director of the office.

A You may be right. I may have their titling confused, but Nancy had been in the office for a long time.

Q Okay. Were you aware of whether or not Ms. Dannenhauer had split her duties between Advance and Personnel Security?

A I don't know -- I have only a superficial knowledge of sort of how they operated.

Q What type of training did you get in this background?

A In what background?

Q In working on background investigations in security matters?

A Not as intensively as Craig got, but I did reading on it and tried to understand the policies and procedures, received some briefings myself from the CIA and talked to the FBI about how they did things, questioned Ms. Gemmell and to a lesser extent Ms. Dannenhauer about how they operated things.

Q Do you recall what you read?

A No. I can't recall the details. There are a number of manuals that you can get your hands on about how backgrounds are conducted, the standards that you use, the policy and procedures manuals.

Q Do you recall who gave those to you?

A I got -- you know, I can't recall specifically. Some were there in the Security Office. Some were available in the OEOB Library. Bits and pieces came in from the agencies that we dealt with. I can't remember specifically.

Q I believe I had asked you if you had ever told anyone that the First Lady wanted Craig in this position. But I also wanted to

ask you did the First Lady ever tell you that she wanted Craig Livingstone in this position?

A No.

Q Could you describe what type of supervision you did of Craig Livingstone in this position?

A I did not supervise Craig on a day-to-day basis. I had another full-time job of my own. Craig was to run the Office of White House Personnel Security. It was his job to make that office and that function work. And we worked out arrangements where he brought problems to me that he thought had risen to the level that I needed to give them attention.

Q Can you describe what your other full-time job was?

A I was clearing presidential appointees, PASs, PAs, other presidential appointees, through the Office of the Counsel to the President.

Q This was in addition to clearing all the White House personnel for their backgrounds?

A Well, that was my primary function. Craig's primary function was dealing with the White House passes and he reported to me. But I didn't give him day-to-day supervision. He came to me when he had problems, if he needed help, stuff like that.

Q All right. Could you describe what Craig's role was in this process?

A In which process?

Q In the backgrounds and the clearances.

A Of whom?

Q Of anybody.

A Well, I just gave you a dichotomy. I am running a clearance process for presidential nominees and appointees.

Q Was he involved in the presidential appointees or nominees?

A Only in coordinating paperwork. He didn't do anything more substantive than that unless there was an intersection between a presidential appointee and the work that he was doing, as, for example, somebody holding a pass got appointed to a PSA, then I would interact with his office and we would interact in that process.

Q So would Craig get the initial paperwork? Would it come from his office?

A Not all of it, but some of it he would.

Q Okay. What would he get?

A You have to be more specific, Barbara. What are you talking about?

Q I am talking about presidential appointees, what paperwork would Craig Livingstone have had?

A I think as a matter of convenience we ran the IRS checks because they were coming over from the IRS. They came over as a group, and he would send the IRS checks on PAs and PASs and other presidential appointees up to our office.

Q Okay. And then would they be returned to your office?

A It's not a question of return. They were coming to my office because that's where they belonged.

Q I am trying to get a sense of the paper flow here. What paper was going through Craig's office, if you could explain that, please?

A Well, the problem that you and I are having is you are mixing apples and oranges.

Q Why don't you explain?

A Well, but I keep -- with all due respect, I keep asking you, what are you talking about? Just think of it this way: You have a clearance process for people holding White House passes. Then you have a clearance process for people that are -- that receive presidential appointees and sometimes they intersect. Most of the time they don't, but sometimes they do.

Craig is running one. I am basically running the other. Craig is reporting to me. Okay?

If he is having problems, if he needs help, if he wants to talk about something, he comes to me with it. I helped him

whenever I could. I did everything I could to be sure that his office functioned smoothly. But, now, if you want to talk about one process or the other, I can answer your questions. But the way --

Q Okay. We were on the presidential appointment process and I am asking you what initial -- if any initial paperwork went into Craig Livingstone's office.

A Okay. I believe, but don't hold me to this, that as a matter of convenience the IRS tax-check forms came to Craig's office and came upstairs to us.

Q Okay.

A On presidential appointees.

Q And to your knowledge, did Craig Livingstone review those at all?

A I don't believe he did. I don't know. I don't think he did, other than somebody had to separate them.

Q Okay. Did you ever tell him not to review them or what to do with them?

A The -- what to do with them? Yes. Okay. Send them up to us.

Q Okay. Aside from sending them up to you, did you ever tell him whether or not he could look at them or if he should look at them or not?

A I don't recall having that discussion. Craig had plenty to do. Okay?

I mean, it would be -- it would be beyond my wildest imagination if he thought that he should look at presidential appointee IRSs. To my knowledge, he did not.

Q But I am asking you a different question. Did you ever instruct him one way or the other?

A Did not feel the need to is a better way to answer your question.

Q Okay. Aside from those IRS forms, did any of the paperwork or any of the background checks of these presidential appointees go through Mr. Livingstone's office?

A I don't think so. I don't remember precisely. I don't think so. I think I can say, to the best of my knowledge, that only the IRS stuff came over, simply as a matter of convenience.

Q And then switching over to the White House employees who were -- or Executive Office of the President employees who were having background checks done, can you describe what paper in that area went through Mr. Livingstone's office?

A Almost all of it, if not all of it, with regard to those people.

Q And did Mr. Livingstone review all of those backgrounds?

A As far as I know, he did, yes.

Q And could you describe what guidance you provided to him on reviewing those backgrounds?

A The guidance that I previously spoke about. I mean, he reviewed the standards and procedures, just as I did, to understand how the process was supposed to work and what standards to apply in adjudicating backgrounds.

Q Okay. Could you briefly describe those standards?

A It's very hard to describe them, other than in terms of you would look for, you know, obvious criminal behavior. You would look for conduct which would indicate a possible threat to security. You look for evidence of general character or lack thereof. You look for weaknesses in character illustrated by, you know, any number of things. And you just try to get a feel for the individual as shown by these backgrounds.

Q And you were confident with Craig Livingstone's ability to review these matters?

A Yes, I was.

Q Okay. And could you describe how Craig would have -- what he would do in reviewing these files, how he would pass them on to you?

A Those files did not come to me unless there was a problem that he felt like he needed to discuss with me.

Q All right. So Craig Livingstone was adjudicating the files completely?

A No. If he felt like he had a problem that needed to come to my attention, in other words, if there was a substantive problem in someone's background, he would usually bring those to me and say: I think this is a problem; do you agree?

Okay? But was he adjudicating backgrounds, yes, that was his job.

Q Okay. And so if Mr. Livingstone reviewed a file and decided there was nothing wrong with it, you would never see it?

A That's right.

Q Did Mr. Livingstone --

A As you know, there are hundreds and hundreds of these things.

Q I understand.

A Hundreds and hundreds.

Q Did you ever meet with the individual who had worked or any individual who had worked in this position at the White House prior to -- an attorney who worked in this prior?

A Any attorney?

Q Yes. Any White House Counsel who had overseen this process in the past.

A Not to my knowledge. I mean, I can't -- I don't know, for example, who in Boyden Gray's office had this responsibility. I don't know. I may have run into him, but I don't know.

Q I am just wondering if you ever sought out anybody for their assistance or guidance on these matters?

A Other than Ms. Dannenhauer and her previous staff, no.

Q Can you describe approximately how much of your time was spent on handling these background investigations in presidential appointee matters?

A Which one are we talking about?

Q Well, why don't we -- the two combined, what percent of your time was spent on that and then if you can separate out the two.

A 120 percent on the two combined. 100 percent over here, 20 percent over here.

Q 100 percent on the presidential appointees and 20 percent on the backgrounds?

A Uh-huh.

Q So would it be fair to say that Mr. Livingstone was doing the lion's share of the adjudicating of the files then?

A Which files are we talking about?

Q Of the White House Executive Office of the President files?

A Yes. That was his job. And he would bring problems to me.

Q What was the process by which he would bring problems to you?

A He would call me on the phone or else stop by and say, I need to talk to you. I have got some problems we need to discuss. And I would say either come on in or I would make an appointment with him, or sometimes I would stop by his office and we would talk about whatever we needed to talk about.

Q Okay. Would he provide you with the files that he had concerns about?

A He would usually provide me just with the background, usually. Sometimes it would be a tax check, but rarely would it be somebody's SF-86. Rarely would it be any other information. I would say close to 100 percent of the time the problems would show up in the background.

Q Okay. Would he physically show you the documents and the paperwork on such an individual?

A Well, he would show me the background. That's where most of the problems would be. And if he had a document that showed me another problem, he would show me that.

Q And then how -- then you would resolve these matters at that point?

A Yes.

Q And who would -- did you discuss these kind of matters with anybody, any of your superiors?

A Every once in a while something would rise to the level that I would go discuss it with Bernie Nussbaum or whoever my boss was at the time.

Q So it would be Bernie Nussbaum or whoever was White House Counsel at the time?

A Sometimes it would be Mr. Foster or the Deputy White House Counsel.

Q All right. Would you ever discuss -- besides the Deputy Counsel or the White House Counsel, did you ever discuss this with anybody else at the White House?

A Well, all right. Who are we talking about? Are we talking about presidential appointees or are we talking about White House --

Q We are talking about the matters that Mr. Livingstone would bring to your attention, which would, I assume, be the White House employees?

A Every once in awhile I would be directed to go and talk to whoever was going to use that person. Just for example, picking out of the air, if someone was going to go to the Office of Public Liaison, okay, and there was a matter in that person's background that I thought might be problematical and whatever basis it might be, I would usually go up the chain of command inside the Counsel's Office and sometimes the decision would be made, go and advise this person's prospective superior that this situation exists and let them make the call.

Q Were these matters ever discussed with Mr. McLarty, to your knowledge?

A I cannot recall ever discussing a background with Mr. McLarty. Whether they -- any matters got to him through another way, I don't know.

Q Do you know if the First Lady was ever involved with any of these problem matters?

A Okay. Well, look --

Q Why don't we -- we are dealing with not the presidential appointees, but the --

A Okay, Barbara, you have got to do this because the answer that I just gave you is not true with regard to presidential appointees.

Q Okay. Let's put presidential appointees aside for now.

A Okay. I don't recall ever discussing a problem in a background directly with Mack McLarty.

Q Okay. Or the First Lady?

A No.

Q Okay. Did the First Lady ever involve herself in any matters dealing with background investigations or clearances?

A Not to my knowledge.

Q Are you aware of any problems that were ever raised by the President or the First Lady with any of the residence staff?

A No. I am unaware of any problems that were raised, although I have read press reports, of course.

Q Okay. And are you aware of Craig Livingstone ever requesting a background investigation of a residence staffer out of the ordinary course of business?

A I am unaware of any such activity. I don't believe it occurred.

Q Okay. So you have no knowledge of any such request of Mr. Livingstone?

A Huh-uh.

Q And you have no knowledge of Mr. Livingstone taking it upon himself in any way to do that?

A No. As I say, I don't believe it happened.

Q Were you aware of Craig Livingstone having interns and volunteers working in his office?

A Yes.

Q Did you ever discuss this with him?

A Sure. We were -- he in particular was swamped. He had both detailees and interns and volunteers working there. I am not sure he had volunteers there. I think he mostly had interns.

Q Okay. And did you approve him having interns in the office?

A Yes.

Q Okay. Could you describe any discussions you had with him about these interns?

A I made sure that he knew that the interns could not see information which would be considered confidential and whatnot; that they could help process paperwork.

Q Okay. Do you know if the interns were provided with any memos or documents to that effect?

A I can't answer that. I presume Craig did so, but he may have advised them verbally of that. I just don't know.

Q Do you know if any of the interns had any security clearances?

A If they had access to the White House, they did.

Q The interns would?

A If they had a White House pass, if they had access to the White House, they had had a level of security clearance, yes.

Q Were you aware of the interns working in the vault that was in Craig Livingstone's office?

A I don't believe they did, but I also don't know. As I say, I was not in Craig's office on a daily basis.

Q Okay. How often were you in his office?

A Sporadically.

Q All right. Can you describe more specifically? Weekly?

A I absolutely cannot. I mean, it was sporadic. It was on an as-needed basis. You know, I am sure there were weeks that went by that I didn't go in at all and then I may come in two or three times in a week.

Q Do you recall in what type of -- for what type of reasons you would go to Mr. Livingstone's office?

A Ninety-nine percent of the time it would be to discuss a problem that he might be having with a prospective White House employee or a current White House employee. It would be sometimes go to retrieve information. It just could be anything under the sun.

Q Were you aware of Mr. Livingstone ever having any problems with any interns at the White House?

A You would have to put some content in the word "problems." I don't recall him having any problems with interns but that's not to say it didn't happen.

Q Did he ever raise with you any problems that he had with the interns?

A I don't recall him doing so. He may have. I simply do not recall. I don't recall anything substantive. Again, when you say this, I'm talking about interns that worked for Craig.

Q Yes, I understand.

Okay. Did there come a time when Craig talked to you about hiring Anthony Marceca to work at the White House?

A Yes.

Q All right. And can you describe how that came about?

A Craig needed help. He was swamped. There was a ton of work to be done. He came and he said that he had worked with Marceca before, thought he was a good hand and that he had talked with Marceca, and Marceca was interested in coming to work at the White House with Craig and he wanted to do this.

Q Okay. And what did you say?

A I said, tell me about him. So he did. And then I said, well, if you want to use him, we will try and get him.

Q All right. Did you get any information on Mr. Marceca independently of Craig's recommendation?

A Did not.

Q Okay. Did you --

A Well, later on, you know, his background came in the normal course.

Q Did you interview Mr. Marceca?

A The short answer would be, I don't know if you would call it a normal interview, but did I talk to Tony, yes, I did.

Q And could you describe that contact?

A I had a practice of trying to meet all of the detailees that were going to work in the White House Security Office -- White House office -- the Office of White House Personnel Security. Craig and I thought it was helpful just to eyeball them, see who they were, make a little speech about how they are working with sensitive information and they needed to be careful what they did with it, how they did with it and like that.

And so, you know, Craig brought Tony by one day and I visited with him. There was nothing out of the ordinary about that talk.

Q How many detailees were there in the Office of Personnel Security?

A I think most of the time there were at least two, maybe three, if I remember correctly. Maybe sometimes just one.

Q And why were there detailees as opposed to having permanent hires in the office?

A They were just -- under the budgets we were operating under, we had a need for detailees. We were operating with detailees in the Counsel's Office as well.

Q Okay. And so this was because of the 25 percent personnel cuts you were utilizing detailees as opposed to regular employees?

A No. As I understand it, it had been a practice in all administrations to use detailees. I mean, I know from detailees that were on hand when we got there that the Bush administration had used detailees as well.

Q In the Personnel Security Office?

A I don't know the answer to that, but they had used them in the Counsel's Office, for example.

Q Do you know any of the other detailees who were in the Personnel Security Office?

A I met them. I can't remember their names right now. If you refresh my memory in some form or fashion, I could probably identify them. But you know they rotated in and out.

Q No, I didn't know.

A Oh, yes, you do. They rotate in and out, detailees come over --

Q I didn't know that there were other detailees in the Personnel Security Office. Do you have any other information to that effect?

A As far as I know, there were. Okay? But they rotate in and out. They serve usually a term of months.

Q Okay. And were these nonreimbursable detailees, usually, that the White House didn't have to pay for them?

A I don't know if you could say the word "usually," but in some cases they were nonreimbursable, yes.

Q Okay. Do you know what Mr. Marceca was hired to do in the Office of Personnel Security?

A Well, he was hired to help, first and foremost. Craig thought he would be particularly helpful with regard to the military personnel, of which there are a ton that have access to the White House complex.

Q And do you know who Mr. Marceca was to report to?

A When?

Q While he was working at the White House?

A Craig Livingstone.

Q Was Craig Livingstone his supervisor?

A Yes.

Q What had Craig told you about anything he -- how long he had known Mr. Marceca or anything about his personal relationship with Mr. Marceca?

A I can't recall the specifics of it, but he said he had known Tony, that he had worked with Tony. I think he had mentioned that he had worked with Tony some in the Inauguration; mentioned that he was a criminal investigator for the Army. Again, that's the reason that he thought he would be of use with regard to security matters.

You know, that's basically it. I mean, he just said that he had worked with him before and had a high opinion of him. You can boil it all down to that. And that Tony wanted to come.

Q Okay. Were you aware that Mr. Marceca had a political background also?

A Other than the fact I remember Craig said that he had helped some in an Inauguration event. But the answer is, no, I don't think I knew at the time that he -- I think I reviewed a resume which said that he had Hill experience, if I remember correctly. He had worked for some subcommittee. Okay? What's the definition of "political"?

Q Did you have any knowledge of him working on campaigns?

A I don't think so at the time.

Q And you said Mr. Marceca did provide you with a resume?

A I think Craig did. I don't remember Tony handing me a resume. I think Craig did.

Q I am showing the witness a letter which is CGE 43823. It's an April 5th, 1993 letter to Secretary of Defense Les Aspin from Mr. Kennedy.

Directing your attention to the second paragraph of the letter, second sentence in that paragraph, it says: "I have learned of Agent Marceca's unique investigative abilities and background and would greatly appreciate his full-time assistance here."

A Uh-huh.

Q Do you know where you had learned about his abilities and background?

A It would have come from Craig or the resume.

Ms. Comstock. I will make this Exhibit 1.

[Kennedy Deposition Exhibit No. 1

was marked for identification.]

BY MS. COMSTOCK:

Q Did you consult with anyone else at the White House about detailing Mr. Marceca?

A I do not recall doing so, no.

Q Do you recall how you learned that Secretary Aspin was the individual to write to in this matter?

A No, I don't recall the details of -- other than this was the procedure that you had to go through to get somebody detailed

from a military background. I don't remember who told me that or what the story was, but this is what you had to do.

Q Do you know if someone drafted this letter for you?

A Either I wrote it or I asked Craig to write it for me. I can't remember.

Q Okay. Did you have a secretary at the time?

A I did not.

Q All right. Did you usually type your own work?

A I did.

Q Do you know if Craig usually typed his own letters?

A I can't answer that. I don't know quite how Craig did his document crunching. I just don't know.

Q This is CGE 43821, which is an April 6th letter from David Allen to Mr. Kennedy. Basically, it's a recommendation letter for Mr. Marceca. Did you have an understanding -- using this letter to refresh your recollection, did you have an understanding of Mr. Marceca's level of ability given this recommendation?

A Did I have an understanding?

Q Yes.

A I don't understand your question.

Q I am just wondering, did you consider him a low-level clerk, for example?

A Well, I don't know -- I don't know. When? I mean, are we talking about the work that he did where he was?

Q I am talking about who you were under -- for the position you were hiring him for, did you have an understanding of what his abilities were, whether they were of a low-, medium- or high-level of ability in this area?

A I'm -- I must -- my brain must not be working today. I am sorry. I don't understand what you are asking. Are you asking -- look, at this point in time, if this is what you are asking, he is not here yet.

Q Okay. Well, in seeking somebody to assist Mr. Livingstone, were you seeking a low-level person who had no knowledge of how to do this job or were you seeking someone who had some knowledge and ability in this area?

A I was responding to Craig's request. I didn't know Tony Marceca from Adam. Okay? Period.

I mean, I had -- until Craig said, I need help -- which I knew -- and I have someone in mind, I had never heard of this individual. Okay?

Craig, who I had confidence in, comes and says, I think this guy is a good hand. I don't know how to answer it any better than that.

Q Did you want Craig to find someone who had some experience or abilities in the area that he was going to be assisting Mr. Livingstone in?

A Well, I would -- certainly, I would hope that Craig would get good help. I would certainly hope that. I mean, it would be dumb for Craig not to want to get good help.

Ms. Comstock. This is CGE -- I will make this April 6th letter Exhibit 2. That's CGE 43821.

[Kennedy Deposition Exhibit No. 2

was marked for identification.]

BY MS. COMSTOCK:

Q This is an April 13th letter, again, to Secretary of Defense Les Aspin from William Kennedy and the subject is requesting Mr. Marceca as a detailee. It is CC'd to David Allen and Commander Peter Berry. That's CGE 43816.

This letter, directing your attention to the second paragraph, you had requested that the detailee, Mr. Marceca, begin on April 12th, 1993, for 6 months. Do you have --

Mr. Coffield. It's the same letter as Exhibit 1.

Ms. Comstock. But it is a different date.

Mr. Coffield. Yes.

BY MS. COMSTOCK:

Q Do you have any knowledge as to why Mr. Marceca was not detailed in April of 1993?

A No. I mean, it had something to do -- I just don't remember the details. It had something to do with where he was employed. I mean, either they couldn't free him up or they didn't want to or we couldn't break the bureaucratic logjam or something. I don't remember the details.

Q Okay. Were you aware at that time in April of '93 or thereabouts of any problems in Mr. Marceca's background that would -- that anybody flagged for you as to why he shouldn't be coming to the White House to work in this position?

A No.

Ms. Comstock. I will make this April 13th letter Exhibit 3.

[Kennedy Deposition Exhibit No. 3

was marked for identification.]

BY MS. COMSTOCK:

Q CGE 43814, it's a June 22nd, 1993 letter to Colonel Michael Sherfield, Executive Secretary to the Secretary of Defense, from Mr. Kennedy, again, and it's a request for Mr. Marceca to be detailed to the White House.

Directing your attention to the first paragraph, it says: "Craig Livingstone has requested that Special Agent Marceca be detailed to the White House for 6 months at the executive level."

Do you have any idea approximately what pay level Mr. Marceca was going to be detailed to the White House at?

A No.

Q Do you have any recollection of what Mr. Livingstone was being paid at the time?

A I don't remember precisely. I mean, I think it was -- I just don't remember. I think it was like \$50,000 maybe. But that's a guess on my part. You would have to refer to the personnel records.

Q And do you have any recollection of his -- the assistants he had in his office, what their pay level was?

A Again, these are guesses, which I know I'm not supposed to do, but the short answer is, I think they were in the mid-20s, but I don't know. I just don't remember.

Q Okay. Again, do you recall if you typed up this letter or put the information in this letter?

A Either Craig did it for me or I did it. And it's entirely possible that Craig brought me a draft which I marked up, you know, redid. I just -- I'm sorry. I don't recall exactly how that happened.

Q All right. Outside of talking to Craig, had you obtained any -- and meeting Mr. Marceca, had you obtained any other information about Mr. Marceca prior to requesting him to be detailed to the White House?

A No.

Q Do you recall any discussions during this time frame in the spring/summer of 1993, regarding getting Mr. Marceca to come over to the White House?

A The time frame again?

Q The spring and summer of 1993. And if it assists, he did not get to the White House apparently until August 18th, 1993.

A As I said, there were summaries and the details of which I cannot recall, that he couldn't be detailed immediately. And I don't remember what they were. Craig continued to work at it, you know. He still thought -- had a high opinion of Tony, and this subsequent letter is, you know, another attempt to break whatever the bureaucratic rules there were to get Mr. Marceca detailed over.

Ms. Comstock. I will make that June 22nd letter Exhibit 4.

[Kennedy Deposition Exhibit No. 4

was marked for identification.]

BY MS. COMSTOCK:

Q This is CGE 43812, an August 5th letter for associate -- for Associate Counsel to the President, which I believe was probably directed to you, regarding your request for the detail of Special Agent Marceca. This memo says: Your June 22nd request for Mr. Marceca on a 6-month nonreimbursable basis was approved.

Do you recall having any conversations with anybody around this time frame?

A I don't. I know at some point somewhere along this odyssey of getting him detailed, I think I spoke with somebody in the chain of command for Tony, and I can't remember who. I can't remember the substance of the conversation other than it was -- whatever was holding him up in terms of a detail, it had been resolved. I can't remember anything more than that. So we fired a second letter off.

Ms. Comstock. Okay. When Mr. Marceca arrived at the -- I will make this August 5th memo Exhibit 5.

[Kennedy Deposition Exhibit No. 5

was marked for identification.]

BY MS. COMSTOCK:

Q This is CGE 43810. Could you describe -- this is a form entitled: "White House Office, Personnel From Other Agencies." It's dated February 28th, 1994. The signature of the White House approving official is Mr. Kennedy. At the top of it, it says: "This is to request that the following individual perform duties at the EOP complex." And the name of the person requested is Anthony Marceca.

A Uh-huh.

Q Was this a form to extend Mr. Marceca's detail at the White House?

A This is a form to commence the seeking of him as a detailee.

Q This was in 1994.

A I understand, but that's -- I mean, either this paperwork wasn't filed when it was supposed to -- actually, what this is -- you have it exactly right and I am wrong, and for that I apologize. This is a form that has to do with extending him as a detailee, I believe. And it's also, if you noticed, it says, start reimbursement. If he had been extended as a detailee, the White House would have had to make him a reimbursable detailee beyond his 6 months, if I remember the way the system worked.

Q Okay. So this form represents an attempt by the White House to keep Mr. Marceca at the White House beyond the 6-month detailee position?

A That's what it appears to be, yes.

Q Do you recall the circumstances surrounding trying to get that extension?

A I think -- I know Craig wanted to keep Tony Marceca there. You know, I don't know whose handwriting this is, but somebody, either Craig or somebody, would have brought me this form, which I signed. I know Craig wanted to keep him there.

Q Okay. Now, we have been informed by the White House that he did leave sometime in February of '94. Do you know why he was not retained at the White House?

A Well, I don't remember the timing involved. Okay? I simply do not know exactly when things took place. But if I remember correctly, there were two things that sort of impacted on this. One of which is that the White House, I don't believe, wanted to pick up paying for him. That's number one.

Number two, Tony's background had come in and there were some problems revealed with it that made me think it might be better if he kind of went back to where he was.

Q Okay. So his background had not come in prior to him coming to the White House in August of 1993?

A That's the way it always worked.

Q Had any paperwork on his background been transferred to the White House prior to his coming to the White House in August of 1993?

A I can't answer that. I don't know. Okay? I don't know. I don't know if -- you know, what the status of paperwork was on him. The background I am referring to is the background that was performed on him so that he could have continued access at the White House.

Q Okay. And you recall learning of -- we are not going to go into these problems. I understand the situation there. But you did not learn of any problems in Mr. Marceca's background until sometime in 1994?

A Again, don't hold me to the time. I simply don't recall. I don't -- if I remember correctly, that background took a while to come in. I don't know why. And I don't know the timing. I simply don't know. Okay?

When it did come in, there were some problems, which I can't talk about, and the detail kind of ran its course. If I remember correctly, we encountered resistance, and the two things together, we decided it was best for him not to stay on.

Q Can you describe what kind of resistance you encountered and where that came from?

A I am talking about the reimbursement.

Q Now, was that the only resistance that prevented him from staying on then as opposed to the background problem?

A Well, I mean, it's sort of a seamless web. I mean, you know, it's kind of hard to -- I don't remember the specifics of it. I don't remember the timing involved. This form indicates it was somewhere around this period of time, but the bottom line is, is that you take everything in conjunction and it just made sense to return him to where -- back to the Army.

Q Now, do you recall whether or not you learned about these problems in his background before or after February 28th, 1994, which is the date that this form is indicating you had signed off on him requesting he stay on as a detailee?

A I am sorry. I cannot help you with the times. In other words, I don't know when his FBI background came in. I am sorry. I cannot remember.

The problems in his background were not problems that would have led to a termination sort of on the spot. They were not those type problems, period. But when it came time for his 6 months to be up, that, in conjunction with what I was referring to, if I remember correctly, the White House didn't want to pick up paying for him, for whatever reasons. He just went back.

Q Okay. So you can't separate out which was in terms of -- when you signed this form, you don't know whether or not you knew about the problems in his background?

A I am sorry. I probably did. Okay? But I absolutely don't want to be held to that because I simply can't recall. But I probably had the background in my possession at that point in time, probably.

Ms. Comstock. Okay. We are making CGE 43810, that extension of Mr. Marceca's detail, I guess a request form, has been made Exhibit 6.

[Kennedy Deposition Exhibit No. 6

was marked for identification.]

BY MS. COMSTOCK:

Q During the 6 months while Mr. Marceca was at the White House, were you aware of what he was working on?

A With particularity, no.

Q Okay. In a general sense?

A He was helping Craig, helping that office.

Q Okay. Did Craig report to you at all on what Mr. Marceca was working on?

A I do not recall him doing so. I don't believe that he did.

Q Do you know if there were any other Army people detailed to Craig's office?

A There may have been. I am sorry. I simply don't recall.

Q Did there come a time when you learned that Mr. Marceca was working on something called the Update Project?

A Well, I mean, obviously I have heard about it now from press reports. I would not have been surprised in the least if Craig had put him to work on that. As I have testified earlier, just a minute ago, I don't recall Craig talking to me with specificity about what Tony was doing for him.

Q Did you have any knowledge about the need to obtain the previous FBI reports of holdover employees?

A Yes.

Q Could you describe your knowledge of what you needed to do in that area?

A Well, we had learned -- we collectively, Craig and I had learned, that the personnel files of everybody in the Bush administration were gone. They were considered presidential records and they had -- they were gone. And so people that were employed by the Bush White House, is a better way to say it, is in the Executive Office of the President, who had access to the White House, there were hundreds and hundreds of them that had continued access but no files. So the files had to be reconstructed.

Q Okay. What was your understanding of what needed to be done in that area?

A Unfortunately, it's just what I said. The files needed to be reconstructed. We had to get background information on them, you know, through SF-86; tax checks were run on them and then depending on the cycles involved, we had to get copies of their FBI backgrounds.

Q And did you instruct Craig Livingstone to get that done?

A Uh-huh. I mean, it was part of his job.

Q And do you know how he went about doing that job?

A With specificity, no.

Q Do you have a general idea of what he did in that job?

A Just what I told you.

Q Did you know that Mr. Marceca was working on that matter?

A Not -- it wouldn't surprise me. I do not recall Craig specifically saying, I have got Tony doing X, Y and Z. But I am sure there were other people working on that project as well.

Q Did Mr. Livingstone ever write memos or updates to you on work that was being done in his office?

A From time to time, he did.

Q Okay. Can you describe if he ever wrote any memos on the Update Project and what was being done on the Update Project?

A I don't recall any such memos. I mean, most of my communication was verbal.

Q What was your understanding of the extent of holdover employees at the White House?

A What do you mean by extent?

Q Who was held over at the White House?

A Hundreds of people.

Q Okay. And what type of employees were those?

A All sorts, I mean from A to Z.

Q Groundskeepers?

A From groundskeepers to --

Q GSA?

A -- to telephone operators, to people that worked in the Situation Room, to telegraph operators. You name it, they were there.

Q Okay. Do you know if any people in the Communications Office were holdovers?

A I presume they were, but I don't know.

Q Okay. Dee Dee Myers' office, I am talking about.

A Were there holdovers in Dee Dee Myers' office.

Q Yes.

A I don't know. I can't answer that with specificity.

Q Do you have a general understanding of, say, George Stephanopolous and Dee Dee Myers kept on any of Marlin Fitzwater's staff?

A I am not splitting hairs with you but when you get into questions when we talk about staff, for example, I don't believe that they did, particularly in sort of a decision-making capability. But whether or not there was in the Communications Office, for example, a specified telephone operator that held over, I don't know. I can't answer that.

Q Okay. But aside from maybe a few low-level staff, did you have any -- a general understanding of whether or not people, say, in the Communications Office were new employees or holdover employees?

A For the most part, people that worked in the West Wing would be new employees.

Q So, say, in the policy offices, West Wing offices, Chief of Staff's office, most of those people would be new employees?

A Uh-huh.

Q Mr. McLarty didn't hold over any of the Chief of Staff's staff from --

A With the same caveat I just gave you.

Q With a secretary or two?

A With the same caveat I just gave you, most of the people would be new hires.

Q Okay.

A Now, if you go to the OEOB, that's not going to be a true statement. But there you have it.

Q Okay. Were you aware of the First Lady's Office retaining any of Mrs. Bush's employees?

A Well, I mean, were there ushers that carried over? You bet. Were there --

Q I am talking about the First Lady's personal office.

A No, I don't believe anybody did.

Q Were you ever given any information about what type of lists anyone was supposed to work from to obtain information for passes?

A Well, there were, you know, a number of lists, you know, mostly -- they were compiled from the Secret Service and -- there were lists. I don't know how to answer it any better than that.

Q What is your knowledge of these lists?

A Well, I mean, there's -- there's -- you know, there's a list of people that have passes. There's a list of people that have temporary passes. There's a list of people that have access, list of people who don't have access. I mean, it just goes on, and on, and on and on.

Q Do you have any knowledge as to what lists that Craig Livingstone was working off of in working on this Update Project?

A No.

Q Just so we can be clear, you did have a general understanding that Craig was trying to obtain these files of the holdover employees?

A He had to.

Q Okay. And you had instructed him to do so?

A The short answer is, yes. But that was his job. That's what he was there for. And it was -- it had to be done.

Q Did you ever talk to Mr. Bourke at the FBI about obtaining these files, anything Craig was working on in relation to this?

A What are we talking about? Craig's stuff?

Q Yes.

A Yes. I talked to Mr. Bourke almost every day. Okay?

Most of what I talked to Mr. Bourke about was what I was doing, which is presidential appointees, PASs and PAs and whatnot. But when, for example, when I first got there, I met with Mr. Bourke and some of his staff and they talked about, and we talked about, how the process worked; what he expected from us, what I expected from him; how it was supposed to work. Mr. Bourke was an excellent public servant. He was very helpful and we had a good working relationship.

Most, as I said, of what I talked to him about concerned presidential appointees and PASs, but it also -- we also interfaced from time to time with regard to people who had access to the White House; rarely but some.

Q Okay. At or around late 1993, November/December time frame, did Mr. Bourke or anybody from the FBI ever tell you about a large request for -- from the White House Personnel Security Office for files of previous Bush or Reagan employees?

A No, did not.

Q Did anybody ever mention anything about there had been an unusually large volume of requests of previous reports from the FBI?

A Did not.

Q Did Craig Livingstone ever tell you anything about files being obtained of Reagan and Bush officials from the FBI?

A Well, I mean, if you characterize it in terms of doing what we were doing, I mean, I talked to Craig about that. I mean, that's -- we had to replace these files. We had to rebuild the personnel files on people who had continued access to the White House.

Did he -- I mean, did I know that files of inactive people were being requested? I did not. Did he ever discuss that with me? He did not.

Ms. Comstock. I am showing the witness CGE 43641 through 42, which is a memo from the White House to the FBI liaison from Bernie Nussbaum. The subject is FBI investigations. It's dated December 20th, 1993, and the subject's name is Billy Ray Dale and the request was for a copy of previous reports. It says, the person named above is being considered for access.

BY MS. COMSTOCK:

Q Have you ever seen this request form before?

A When these press reports hit, Bernie Nussbaum faxed me a copy of that. And the answer is, until he did that, I had never seen this before.

Q Did Mr. Nussbaum talk to you about this form and how it came to be -- previous reports came to be requested?

A Huh-uh. He didn't know anything.

Q Can you just describe how he came to fax this to you?

A When the first press reports hit, Bernie called me and asked me, basically, one question, which was --

Mr. Stroman. Excuse me just one second, Ms. Comstock.

About what time frame is this, approximately, just approximately?

The Witness. Whenever the first press reports were on this request, which is the Billy Dale request.

Mr. Stroman. Right.

The Witness. Whenever they first occurred.

BY MS. COMSTOCK:

Q You mean in the past several weeks?

A Yes, within the past week or so.

Mr. Stroman. All right.

The Witness. I mean, within 2 weeks, 3 weeks, whatever. And he simply said, I am being asked questions about this. What do you know about it?

I said, I don't know anything about it.

And he said, did we ever discuss this?

I said, no.

He said, I have got this form.

I said, Bernie, what in the world are you talking about?

He said, I am going to fax it to you, and he did.

Okay? And that was the substance of our conversation. And he was wanting to put a statement out, which he subsequently did.

BY MS. COMSTOCK:

Q Okay. So prior to these press reports in the past month or so, you had no knowledge that Mr. Dale's file had been requested?

A That's correct.

Q All right. And prior to the press reports and, I guess, the more recent reports in the past week or so that there were 400-and-apparently-climbing number of files that have been obtained from the FBI of people who were not supposed -- the office -- the White House was not supposed to be getting their files, did you have any knowledge of those 400-plus files being obtained?

A I did not.

Q Okay. Have you discussed with anyone at the White House since then how this came about?

A The only discussions I have had with the White House have been they called and asked -- you know, they called my counsel and asked if I would put a statement out, which I did.

Ms. Comstock. I will make this, Mr. Dale's form to the FBI, I will make that Exhibit 7, CGE 43641.

[Kennedy Deposition Exhibit No. 7

was marked for identification.]

BY MS. COMSTOCK:

Q Okay. This is a June 14th, 1996 statement of William Kennedy. Is that the statement you were just referring to, Mr. Kennedy?

A Yes.

Q Okay. And do you recall who called you from the Counsel's Office?

A Sally Paxton.

Q Okay. What did Ms. Paxton ask you?

A If I would put a statement out.

Q Okay. And did you tell her what the statement would say?

A Basically, yes.

Q Did Ms. Paxton give you any information about any knowledge she had about how these files had been obtained?

A She did not.

Ms. Comstock. I will make the statement Exhibit 8. It doesn't have a Bates stamp number, but it's a June 14th, 1996 statement of Mr. Kennedy.

[Kennedy Deposition Exhibit No. 8

was marked for identification.]

Mr. Stroman. June 14th?

Ms. Comstock. June 14th, 1996, which reads: "During my tenure as Associate Counsel for 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."

That's the end of the statement.

BY MS. COMSTOCK:

Q Could you define what you mean by "improper purpose" --

A Misuse.

Q -- in that statement?

A Misuse.

Q Okay. Or improper use of information?

A Misuse.

Q Did anyone -- while you were at the White House, did anyone ever tell you anything about Craig Livingstone referencing information that was in their background files in a way that they thought might not be appropriate?

A No. I don't recall anyone doing so, huh-uh.

Q Were you ever aware of him making comments to individuals, I guess maybe in -- not just to the individual directly involved but in the company of numerous individuals, making comments about somebody's background in the company of others?

A No, I don't think Craig ever did that. I have no knowledge of it. I don't think he did that.

Q This is a Time Magazine article from yesterday, dated June 24th, 1996. It is directing your attention to the second page.

A I have never seen this before.

Q Would you like an opportunity to look at it?

A I am just telling you, you are handing me something I have never seen before.

Q Sure. If you would like to take some time to look at it.

A Do you want me to read the whole thing?

Q Just whatever you would like to look at, Mr. Kennedy.

A Rather than me take the time to read this entire article, what questions have you got?

Q Okay. In this article, there are three former Clinton staff members who allegedly told Time Magazine that Mr. Livingstone was in the habit of, quote, "insinuating that he had read their security files." The message, they contend, was that Livingstone knew all about their peccadillos but their secrets were safe with him. Did you ever hear about anything like that?

A Without having read the article, I am willing to bet you that those people's names are not in this article.

Q No, they are not, you are correct. I am just asking you if you have ever heard anything like that from anybody at the White House?

A No.

Q Thank you.

Did you ever discuss with Mr. Livingstone what the proper or improper use of FBI background information was?

A The short answer is, yes. I mean, Craig knows, just as I know, that you cannot discuss people's backgrounds, except under the most limited of circumstances. You can't make improper use of them. And I don't believe he did.

Q Okay. I think when we may have been previously discussing the background investigations that were done of the new staff at the White House, you said that Mr. Livingstone adjudicated and read through most of those files.

A Uh-huh.

Q Do you have any knowledge of whether or not Mr. Livingstone read through the files of the holdover people that were coming into his office?

A As far as I know, he did. You say the holdover people?

Q Yes.

A In other words, people that had access to the White House that were there crossing over the administrations?

Q Yes.

A Yes, I would presume that he did.

Q Okay. So in regard to these previous reports that Mr. Livingstone -- that his office was seeking to -- for the replacement files, your understanding was that he would review those files also?

A Yes. I mean, that's what he was supposed to do. That was the purpose in getting them.

RPTS COLCHICO

DCMN GALLACHER

Q Okay. Now, you have testified that you did not know anything about these 400-plus files of former Reagan and Bush officials being obtained by the White House. Did you know anything about any files whatsoever being archived or held -- of any type of holdover employees, regardless of who they were, during your tenure at the White House?

A When you use the word "archive," what do you mean?

Q Why don't I back up a little. Did you ever talk to Craig Livingstone about archiving any of the files that he had at the vault?

A All right. When you talk about archiving, what are you talking about?

Q Okay. Well, why don't you explain to me what your understanding is about the archiving of FBI background files.

A Well, when you put them in the vault, they are archived. I don't know what you are driving at. I am sorry. I really don't.

Q Okay. Do you know anything about any of -- any files ever being removed from the vault and being put elsewhere in any type of White House archives?

A From press reports, I have learned that supposedly, and this is only from press reports, when Tony left, someone came, said, we don't need these and sent them to the archives. I don't know any more than that. Solely from press reports.

Q Okay. And by "Tony," you are referring to Tony as Mr. Marceca?

A Uh-huh.

Q While Tony was at the White House, were you aware of any problems in his work while he was at the White House?

A No.

Q Okay. Mr. Livingstone never alerted you to any concerns or problems that he had with Tony?

A I don't recall if he did, no.

Q Did anybody else at the White House ever alert you to any concerns or problems that they had with Tony?

A No. I don't recall that they did.

Q Could you describe the process by which Mr. Livingstone, when he flagged the files for you, that he forwarded to you, how would -- I guess there have been reports, the derogatory information that would be in such files, could you describe how that was presented to you?

A Ninety-nine times out of 100, he would put a Post-it by the section of the person's FBI background that he thought I should look at; that was problematical. In other words, he would say, here are problems, and he would put a tag by what he thought revealed that problem.

Q And was it your understanding that he would do this also for any of the holdover files that there were problems for?

A Well, any problem that he thought needed to -- or rose to the level of my attention, whether it was a new White House access or a holdover, he would handle it basically the same way.

Ms. Comstock. Did you want to ask some questions? I am not finished but if you would like to ask some questions.

EXAMINATION BY MR. STROMAN:

Q My name is Ron Stroman. Hello, Mr. Kennedy. How are you today?

A Fine, Ron. How are you? Every day is a holiday.

Q I have just a couple of questions. The reconstruction of files, did you have any discussion with anyone in the Bush administration about the process for file reconstruction?

A Jane Dannenhauer and Nancy Gemmell, who were employed in that position of the Office of White House Personnel Security, for the Bush administration.

Q Do you remember what Jane Dannenhauer said to you or what the general thrust of the conversation was?

A Well, they were very nice. They were very professional and they were very helpful. The purpose of talking to them was to reconstruct the procedures.

Q Right.

A You know, how did they do things; where were things -- I mean, it was as elemental as it could be. Where do these go? How did you all handle things?

Q In those conversations with Jane Dannenhauer and Nancy Gemmell, was Craig Livingstone in those conversations?

A Uh-huh.

Q So the conversations with you, Craig, Jane and Nancy, was it several conversations?

A It was a multiplicity of conversations, particularly when we first -- when I first got there. I mean, you know, something -- most of the time Craig would be there. You know, every once in awhile I would be there and he wouldn't, if he was off doing something, or vice versa. But it was trying to find out what was going on.

Q Did you think you had a pretty good grasp of the way in which the Bush administration handled file reconstruction?

A The short answer is, I think we ultimately got there. I mean, when we first got started, I would say, no, but I mean we finally got comfortable with sort of the procedures we should be following.

Q And with regard to your role in reviewing -- well, let me just start with the process for requesting background information. Were you involved at all with the requests for background information?

A Well, you have got to do -- you have to do the same thing that I did with Barbara, which is there's two things going on in my life, one of which is White House access. The other is Presidential appointees.

Q Right.

A I was very much involved in requesting backgrounds on Presidential appointees. Craig's office did White House folks.

Q All right. Other than Craig Livingstone, did you have any discussions with anyone else in the current administration regarding the manner in which file reconstruction would take place?

A I don't recall doing so, other than, you know, from time to time, you know, telling Bernie, for example, or, you know, maybe Vince Foster, after his death Joel Klein, you know, that we were working on things, we were making progress, we were having problems but nothing -- you know, I don't recall ever discussing the details of how that process worked with anybody other than Craig.

Q Did you ever have an opportunity -- were you ever made aware of the fact that there were, that there were files being requested -- were you ever made aware, while you were there working in the White House, that there were files being requested on people who no longer were there from past Bush and Reagan administrations?

A That files were being requested by people who had worked --

Q Yes.

A Yes. Of course, I knew that. That was sort of the holdover project.

Q Yes.

A Right.

Q Were you ever made aware of the fact that there were files being requested on people who were no longer -- who were not simply holdovers?

A No. I mean, I did not know that that was happening.

Q And the first time you found out that was happening was when?

A Press reports 2 weeks ago, whenever this first started.

Q Let me just -- you have talked about this but let me just go back for a moment to the Nussbaum -- the fax that you received from Mr. Nussbaum. Again, can you just run through the circumstances under which you received that fax?

A Bernie wanted to put a statement out, because -- as I understand it, now, I wasn't there, but the press was after him. And he wanted to be sure that his statement was accurate. Of course, he knew that I was in the counsel's office in this process. And so he called to say, these are the press reports.

There's a form with my name on it, you know. What's the story? I said, I have no idea. He said, did we ever discuss this? I said, no. He said, what can you tell me about this form? And I said, Bernie, I don't have it. You know, I can't answer questions about it.

He said, I am going to send it to you. And so he put a statement out, and that's basically it and he subsequently put a statement out. I have never seen it but press reports tell me.

Q Do you know how Mr. Nussbaum had a copy of that form?

A I do not.

Q You did not ask him how he got it -- he had a copy of it?

A No reason to.

Q All right. Your statement that you made, you have testified that you got a call from Sally Paxton.

A I testified that my counsel did.

Q I am sorry. Your counsel got a call from Sally Paxton. And have you had any discussions with Sally Paxton directly about your statement?

Mr. Coffield. Let me just clarify this.

Mr. Stroman. Sure.

Mr. Coffield. The conversations regarding his statement were between me and Sally Paxton.

Mr. Stroman. Okay.

BY MR. STROMAN:

Q I think you have testified that you knew generally what Mr. Marceca was doing but you did not know specifically what he was working on with Mr. Livingstone. Is that accurate?

A Yes. I mean, he was generally there to work in that office and help that office function. That's what he was detailed to do. What he did in that process, I don't know.

Q Okay. So is it your -- did you ever have any discussions with Mr. Marceca about the work that he was doing in that office, that you can remember?

A On a substantive basis, no. I mean, you know, Tony would bring pieces of paper up. I mean, he was working in that office, you know, and I would say stuff, like, Tony, how are you doing? How is it going? Fine. But on a substantive basis, no.

Q If there were problems with specific background -- if, say, Mr. Livingstone had spotted a problem in somebody's background file, he would then forward that file to you?

A He would usually bring it to me or else he would call and say, I need to talk to you, and sometimes I would go down there. It depends on what was going on.

Q And what would you do?

A Look at whatever the information was and make a decision about what to do.

Q When you say "look," "make a decision about what to do," what were the options that you had?

A Well, unfortunately, that's a complex -- there's not an easy answer to that. It depends on the substance of the information, where that person was employed, what that person was doing, what that person's status was. I couldn't give you, Ron, an easy answer to that.

Q All right. That's fine. Were there ever times when problems came up that you needed to talk with someone else to get what you thought was a resolution to that problem?

A Again, I want to restrict this answer just to White House access.

Q Right.

A Every once in awhile a problem would come up where there was no clear answer about what to do, and I would discuss it with my superiors in the counsel's office. And every once in awhile, the conclusion would be reached that I should go and discuss these problems with that person's superior. So that happened from time to time.

Mr. Stroman. Barbara, that's all the questions I have.

BY MS. COMSTOCK:

Q Okay. In the past month or so, has Craig Livingstone contacted you at all about this matter?

A He has not.

Q Showing the witness a 4-page statement of Mr. Anthony Marceca, and directing your attention to, I guess it's paragraph number 5, which is on page 2, Mr. Marceca writes, it was my understanding that every person on the lists from which I was working was properly included on the lists because they had a legitimate need for access to the White House complex.

Do you have any knowledge who gave him -- Mr. Marceca that information?

A What information?

Q That the lists that he was working off of were all of people who had a legitimate need for access to the White House complex.

A No.

Q All right. Did you ever instruct Craig on where to get lists or anything about lists, or where he might find any lists?

A I mean, the short answer is, no. I mean, the -- the gatekeeper over there getting in the building is the Secret Service. So that's where presumably lists come from.

Q So this was Craig's job to determine what were the appropriate lists to use on this project?

A Say that again?

Q Was it Craig's job to determine what were the appropriate lists to use on this project?

A Yes. I mean, if you read up higher in his -- in paragraph 4 of his statement, page 2, it says, the employee who is retiring showed me the various lists for names for which personnel security files needed to be created, and he goes on to say, I understood these computerized lists come from the United States Secret Service.

Q Okay. Do you know what the various lists that he was working from were? Did you ever see any of the lists when you were down in the office?

A Well, yeah, I have seen them. I mean, they are huge computer printouts, huge. And as I said, there's like, as I understand it, a bunch of them. I mean, there's, you know, people that have daily access, people that have passes, temporary passes, inactives, all this kind of stuff.

Q Okay. And, to your knowledge, was Mr. Marceca reading through these previous reports that he was obtaining?

A Again, I don't know. I cannot testify with precision about what Tony did on a day-to-day basis. I just don't know.

Q I know you have testified that Mr. Livingstone did not tell you about these files. But could you tell us if Mr. Livingstone had come to you when he learned that these files, or if anyone at the White House under you was handling these files had come to you to tell you that they had, for whatever reason, obtained FBI background files of people who were not working at the White House, could you tell us what you would have told them to do?

A Well, I mean, I would have told them, obviously, to stop that immediately. As for -- I would have had to seek guidance as to the proper disposition of these backgrounds that had been, I don't know what the proper term is, had been requested but shouldn't have been, because these people had no need for access. Remember, these are copies. These are not -- a copy of each of these backgrounds resides at the FBI.

Q I understand.

A I am sure you do. So the question would be, do you return them to the FBI or do you dispose of them in another way, such as, you know, making it a part of the Presidential Archives or what? I would have had to seek guidance on that but I would have stopped it immediately.

Q Did you ever have occasion, while you were at the White House, to have to send back a file that had been inadvertently requested for someone who was not going to be at the White House?

A There were, for example -- I am going to shift over to the -- we had people that placed themselves in contention and were selected for a Presidential appointment and then dropped out of the process.

Q Uh-huh.

A In cases where a background had already been prepared and come in on them. They just decided they didn't want to do the job or something came up, family emergency or something. Okay?

Q Yes.

A And those files were sent down to Presidential Archives. Okay?

Q But those were of people who you were considering for some position at least at some point?

A That's correct.

Q All right. And people like Marlin Fitzwater or James Baker were not among any of those Presidential appointment people?

A No.

Q You had mentioned when you were talking with Mr. Stroman that sometimes Tony would bring up some type of papers to you. Do you recall what kind of -- what he would be bringing to you? Were they things -- do you recall anything that he brought to you on the Update Project?

A Huh-uh. I don't think he ever brought me anything on that. But, you know, if -- if anything had to come out of that office, I mean, they would -- employees would come up. Tony was sometimes one of them. I simply don't recall any specifics about that, but I was trying to give an accurate answer to Ron's question.

Q Okay. Do you have any knowledge of how the document I have identified as Exhibit 7, which was the request for Mr. Dale's previous FBI reports, and I will state for the record, we -- apparently there were 11 reports and letters and memos attached to this, that the White House had copies of. Do you have any knowledge of how these documents came to the attention of the counsel's office in the past year or so?

A I have no knowledge of that.

Q Okay. Have you had -- you have not had any discussions with anybody about where these were at any point in the process --

A No.

Q -- in the past year or two?

A No.

Q Have you discussed this matter with anybody else at the White House or any former employees other than Mr. Nussbaum?

A I have not.

Q Did you know who Lisa Wetzel was?

A Lisa Wetzel was an employee in the Office of White House Personnel Security.

Q Do you have an understanding of what she did in that office?

A Not any more than I know what Tony did. I mean, she worked in the office. She worked in the process. What she did precisely every day, I cannot tell you.

Q All right. Do you know who Mari Anderson is?

A She is a former employee, and Lisa may be a former employee for all I know, but she worked in the White House Office of Personnel Security.

Q Okay. Do you have any knowledge of what she worked on?

A No. Same answer.

Q And both Lisa and Mari were under Craig and reported to Craig?

A That's correct.

Q And do you know who George Saunders is?

A George Saunders is a retired FBI agent who worked as a consultant to the White House on security matters.

Q Could you describe what he did as a consultant?

A If a problem, for example, surfaced in a person's background and we felt like it needed further investigation, we would employ George to conduct an interview of that employee, to flesh out that allegation, whatever it might be.

In addition in the early negotiation, George assisted us in procedures. You know, he helped us flesh out the procedures we should be following. That's basically it.

Q Do you have any knowledge of whether or not he worked on this Update Project?

A I do not. I don't believe he did but I have no knowledge of it.

Q I just wanted to return, just a little briefly, generally to the Travel Office matter.

A Oh, boy.

Q Do you recall Craig Livingstone ever saying anything to you about he didn't think the FBI should be brought into dealing with the Travel Office?

A No.

Q All right. Did he ever participate in any meetings with you and Mr. Foster where he made any recommendations regarding the Travel Office?

A No, not that I recall.

Q During the time frame of the fall of 1993 into the winter and spring of 1994, do you recall that there were delays in

obtaining White House passes for individuals, the new employees at the White House?

A When you say, "delays" --

Q Do you recall there being any problems in relation to obtaining passes for White House employees?

A There were lots of allegations hurled around at that time about the pass process. Do I recall that? Yes, I do.

Q And did Mr. McLarty ever talk to you about any of these matters?

A When you say, "these matters," can you be more specific?

Q About how the pass process was being handled in your office.

A The short answer is, I don't recall him doing so. You know, he may have. He may have met with Bernie and communicated, you know, through Bernie. I simply can't recall. I don't remember ever meeting directly with Mack on this subject.

Q Did Mr. McLarty ever talk to you generally about how the Office of Personnel Security was operating or handling security and background matters?

A Well, when this -- when this -- these allegations started appearing about the pass process, there were inquiries from the Chief of Staff's office about, you know, how the process was operating and whether it was operating properly and how could it operate faster. I don't recall any of them coming from Mack McLarty.

Q Okay. But there was somebody from the Chief of Staff's office who made an inquiry to you?

A The short answer is, we talked to -- we reassured them the process was working as it was supposed to. I simply can't remember who we talked to. I am sorry. I simply can't remember the person's name. It could have been Bill Burton or somebody working for Bill Burton who I think was around at this point in time.

Q Okay. I am showing the witness an August 19, 1993, letter to Congressman Frank Wolf from Mack McLarty.

A Oh, Congressman Wolf, yes.

Q And the beginning of that letter it says, "To our knowledge, there have been no material changes in security procedures at the White House when compared to those of previous administrations. The security function as to personnel rests primarily with the Office of White House Personnel Security, which is under the direction of the Office of the Counsel to the President."

Does that refresh your recollection as to whether or not you talked to anybody in Mr. McLarty's office regarding how your office was functioning in general?

A I have told you that we did. I can't remember who. Okay?

I mean, I don't remember discussing this directly with Mack McLarty, period.

Q Okay. Another series of letters, this is from October 27th, another letter to Congressman Wolf from Mr. McLarty.

A Oh, yes.

Q And then a February 24th, 1994, letter, and essentially in all of these letters they do say that procedures are being handled in a timely manner.

Do you recall giving -- did you ever give that information to anybody in Mr. McLarty's office?

A Give what information?

Q That these procedures were being -- security clearances were being handled in a timely manner?

A I mean, that's what was happening.

Q Okay. And do you recall any discussions you had with Mr. McLarty about --

A I stand by my previous testimony. I don't remember. It's possible but I do not remember discussing this directly with Mr. McLarty. I definitely discussed it with someone in the Chief of Staff's office.

Ms. Comstock. Okay. I will make these three letters Exhibit 9.

[Kennedy Deposition Exhibit No. 9

was marked for identification.]

BY MS. COMSTOCK:

Q And how long have you known Mr. McLarty?

A A pretty good while.

Q Is he a social acquaintance of yours from Little Rock?

A That would be a fair way of putting it, yes.

Q Have you known him for over 10 years?

A Probably.

Q Okay. Did you frequently talk with him when you were at the White House just in general, not particularly about this matter but in general?

A No.

Q And in -- I believe it was in March of 1994, you were relieved of your duties in the area of White House passes; is that correct?

A Uh-huh, shifted to other areas.

Q And did Mr. McLarty talk to you about that at that time?

A He did not.

Q Did anybody in the counsel's office talk with you about that?

A Lloyd Cutler.

Q Okay. And what did Mr. Cutler tell you?

A Because of the allegations that had been made regarding nanny taxes and whatnot, that they felt it was best if I took a lower profile function in the counsel's office.

Q Okay. Did you ever talk to him at that time about anything having to do with Craig Livingstone being in that office and any problems that Mr. Livingstone had in handling the work load at that time in the March '94, spring '94 time frame?

A That office was constantly swamped, period. And so I made sure that they were aware that the office had more work than it could do at that point in time.

Q Were you aware of Mr. Cutler making any efforts to find out about how the Office of Personnel Security was operating at that time and who was in charge of things and how things were functioning?

A He didn't ask me. I have no knowledge of that. You'd have to ask him.

Q Who took over those duties after you were relieved of them?

A Who took over what duties?

Q Overseeing the Office of Personnel Security?

A Beth Nolan.

Q And did you meet with Ms. Nolan and explain to her this office?

A Yes. Yes.

Q And were you -- did Ms. Nolan ever tell you about any problems that she had with Mr. Livingstone or the operations of that office during the time she was overseeing it?

A Not that I recall with specificity, huh-uh.

Q Do you have any general recollections of any problems that she may have raised with you?

A The one thing that I told her is that the office was swamped; I mean, that they were drowning in paper down there and that she had to be assisting, she had to help fight the bureaucratic battles necessary to get the people in there to get the job done.

Q And are you aware of additional staff being put in that office at that time?

A At that point in time, I quit overseeing that office in any way, shape, or form so I can't answer that. I don't know.

Q Okay. Were you and Ms. Nolan office mates in the same suite?

A Uh-huh.

Q Okay. That is the extent of your knowledge of what went on in that office?

A Yeah. I mean, I basically started doing other things.

Q I am showing the witness BFF 1067 through 1068. Do you recognize that handwriting?

A No, I do not.

Q Okay. Do you know who Guy Caputo is?

A No, I do not.

Q Or Mr. McGaw?

A I think Mr. McGaw at one point he was employed by the Secret Service. He is doing something else. He may be at Treasury maybe. I just don't know.

Q Okay. For the record, these are handwritten notes that were provided by Bobbie Faye Ferguson who worked with Harry Thomason at the White House in the spring of 1993.

Were you ever aware of Craig Livingstone meeting with Harry Thomason about anything having to do with the Secret Service?

A No.

Q Were you aware of Harry Thomason handling any issues relating to the Secret Service?

A No.

Q Or the military office?

A No.

Q Were you aware of any complaints that anyone in the First Family made about Director McGaw or Deputy Director Guy Caputo of the Secret Service?

A No. I have seen press reports, you know, reporting on the rumors of unhappiness with the Secret Service, but I have no knowledge of the accuracy of those reports.

Ms. Comstock. I will make this Exhibit 10.

[Kennedy Deposition Exhibit No. 10

was marked for identification.]

Ms. Comstock. This is CGE 029184, which are handwritten notes from Mr. Watkins of April 16th, 1993. The top of them reads, Bruce and Harry Thomason, and then discusses conversations with Hillary, conversations with Bruce.

[Kennedy Deposition Exhibit No. 11

was marked for identification.]

BY MS. COMSTOCK:

Q First of all, do you recognize that handwriting as Mr. Watkins'?

A No.

Q Do you know who a Bob Coy is?

A No.

Q From California?

A I do not.

Q Did you have any knowledge of any conversations that Bruce Lindsey or Harry Thomason had about any matters relating to the Secret Service?

A No.

Q Were you aware of any discussions by anybody at the White House of any Secret Service agents leaking information or talking to Bob Woodward?

A No.

Q Okay. Is anything on those handwritten notes at all familiar to you?

A In what regard?

Q On topics that you may have discussed at the White House with Mr. Watkins or Mr. Thomason or Mr. Lindsey or the President or the First Lady?

A Well, there's this -- it says, Charter Press, be taking kickbacks, I mean, that could relate to the Travel Office but -- 5 percent kickback, that could relate to the Travel Office, but apart from that I don't recognize any of these other references.

Q Do you recall the kickback allegation being made in relation to the Travel Office?

A I don't recall a specific allegation being made. I remember, as I previously testified, that Harry Thomason thought the office was being operated in a funny way.

Q And he had mentioned kickbacks to you?

A He did not mention kickbacks to me specifically, no. I don't recall him doing so.

Ms. Comstock. Okay. I believe that is all I have. Thank you, Mr. Kennedy.

Mr. Coffield. Thank you.

The Witness. You are quite welcome.

[Whereupon, at 11:35 a.m., the deposition was concluded.]

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