

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title:

FBI Files [1]

Staff Office-Individual:

Counsel's Office-Wallman, Kathleen

Original OA/ID Number:

CF 849

Row:	Section:	Shelf:	Position:	Stack:
21	4	4	2	v

TOM

TAGLERT

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THE WHITE HOUSE
WASHINGTON

November 8, 1996

MEMORANDUM FOR LEON PANETTA

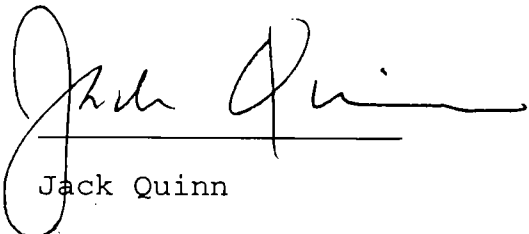
FROM: KATHY WALLMAN *KW*
RE: FBI FILES ACCESS

Bruce Lindsey will require authorization for access to a small number of specifically identified FBI files in order to assist in the imminent vetting of new Administration appointments.

Jack's authorization appears below. Please add yours if you agree.

Thank you.

Leon Panetta



Jack Quinn

THE WHITE HOUSE
WASHINGTON

DATE: 11-13-96

TO: KATHY

FROM: White House Counsel SHARI
2nd Floor, West Wing x6-2632

☒ FYI

☐ Appropriate Action

☐ Let's Discuss

☐ Per Our Conversation

☐ Per Your Request

☐ Please Return

☐ Other

THE WHITE HOUSE
WASHINGTON

November 8, 1996

MEMORANDUM FOR LEON PANETTA

FROM: KATHY WALLMAN *KW*
RE: FBI FILES ACCESS

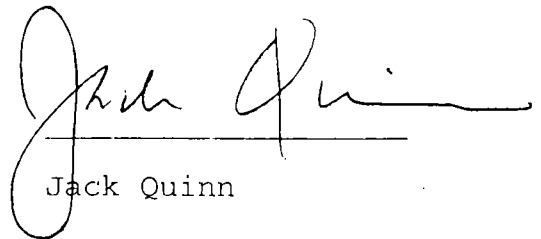
Bruce Lindsey will require authorization for access to a small number of specifically identified FBI files in order to assist in the imminent vetting of new Administration appointments.

Jack's authorization appears below. Please add yours if you agree.

Thank you.



Leon Panetta



Jack Quinn

THE WHITE HOUSE
WASHINGTON

October 29, 1996

MEMORANDUM FOR LEON PANETTA

FROM: KATHY WALLMAN *KW*
RE: FBI FILES ACCESS

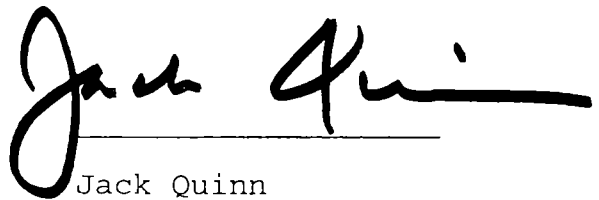
Cheryl Mills will require authorization for access to a small number of specifically identified FBI files for two purposes: first, in connection with one of the Independent Counsel matters, she must review a limited number of files and, second, we want her to be in a position to assist in the imminent vetting of new Administration appointments.

Jack's authorization appears below. Please add yours if you agree.

Thanks you.



Leon Panetta



Jack Quinn

Received
8/20/96

FBI file
matter

THE WHITE HOUSE

WASHINGTON

August 7, 1996

See Torkelson
1-1-96
Tun

MEMORANDUM FOR LEON E. PANETTA
CHIEF OF STAFF

FROM: JACK QUINN *Jim Q*
COUNSEL TO THE PRESIDENT

JODIE TORKELSON *Jodie*
ASSISTANT TO THE PRESIDENT FOR
MANAGEMENT AND ADMINISTRATION

SUBJECT: FBI Files Management Procedures

The President has suggested that we take additional steps to ensure that the Federal Bureau of Investigation (FBI) has custody of its files except to the extent essential to our operations. In response, we have drafted the following proposed procedures. In sum, they would require that FBI files be maintained here at the White House under the control of the FBI except during very limited periods of time to permit use by authorized and identifiable White House and Executive Office of the President (EOP) employees.

If you approve this proposal (and the FBI agrees), the FBI will be provided space in the New Executive Office Building to maintain all background investigation files that have been provided to the EOP (including the White House Office) and that the FBI agrees need to be kept on these premises. This space will be physically located in close proximity to the EOP Security Office but will not be a part of the EOP Security Office and will be separately maintained by the FBI.

Our proposal, more specifically, is as follows:

1. ACCESS TO FBI OFFICE

We propose that only those White House officials authorized by the Chief of Staff and the Counsel to the President, or other EOP officials authorized by their agency heads, may have access to the NEOB FBI Office. Entry to the NEOB FBI Office will be controlled by the FBI in a manner they deem appropriate (e.g., "smart cards," thumbprints, or a code number). Office hours will be determined in consultation with the FBI, although we will recommend that they be 8:00 a.m. to 8:00 p.m. Monday through Friday and 9:00 a.m. through 1:00 p.m. Saturdays. In any event, during times when the office is not open and where the need is sufficiently urgent, authorized EOP officials would have the

ability to call an appropriate FBI official to open the NEOB FBI Office.

2. TRANSMISSION OF FILES TO FBI OFFICE

We propose to have the files transported by the FBI to the NEOB FBI Office and then made available to authorized EOP officials for review in their offices. After a reasonable period of time for review of the background investigation or namecheck (several weeks is typical), the file will be transmitted to the NEOB FBI Office for permanent retention. The FBI in consultation with one of us may, however, determine that it is preferable, after a period of time, to return to FBI headquarters those files to which future access is likely not to be necessary.

3. SUBSEQUENT REVIEW PROCEDURES/SAFEKEEPING OF FILES

Subsequent Reviews. Subsequent reviews of certain files may be necessary for various reasons, including conducting follow up, upgrading security clearances (i.e., SCI or DOE clearances), or permitting agency reviews. For subsequent reviews, an authorized official will be permitted to sign out a file and return to his/her office with the file. Again, the authorized official will be permitted a reasonable period of time -- not to exceed 7 days -- within which to review the file and return it to the NEOB FBI Office.

Safekeeping of Files While in Possession of Authorized Official. Whenever an authorized official is in possession of a background investigation or namecheck pursuant to the procedures set forth above, that official shall store the file in a class 6 security container (i.e., safe) located in the White House Counsel's Office or an accredited storage facility (i.e., a vault) in the EOP Security Office.

4. SIGN OUT AND SIGN IN PROCEDURES

Sign in by NEOB FBI Office. The FBI staff employed in the NEOB FBI Office will track the files that are in its possession or control. They will maintain a master list and a database so that at all times the whereabouts of a particular file will be known.

Sign out by an Authorized Official. When checking out a file, an authorized official must sign out the file. Authorized officials may sign out files on behalf of another authorized official (i.e., pick up a file from the NEOB and transmit it to the other authorized official in the OEOB) provided that the file is to be used within the component for which both individuals have been permitted access (e.g., Cliff Mauton may sign out a

file to be reviewed by Kathi Whalen as part of the Presidential appointment process; however, Cliff Mauton would not be permitted to sign out a file to be reviewed by David Fein as part of the White House Security personnel process).

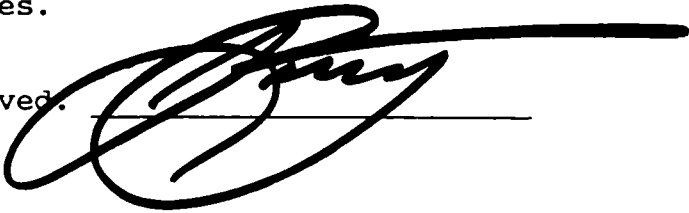
The authorized official will sign a log maintained by the NEOB FBI Office staff. If an authorized official signs out a file on behalf of another authorized official, he/she must so indicate, and the other authorized official must certify in the file that he/she has received the file for his/her use. The NEOB FBI Office staff will also note in the file to whom and when the file was signed out. The authorized official will initial that entry.

Sign in at the Time of Return of the File. At the time that the authorized official returns a file, the NEOB FBI Office staff and the authorized official will initial the log sheet in the file, and the NEOB FBI staff member will enter the return date in the master log and database.

* * *

We believe that this process will adequately address the President's concerns and at the same time create a workable situation for the White House and EOP employees who are required to review FBI files as part of their responsibilities. With your approval, we will work with the FBI to implement or refine these changes.

Approved: _____

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be the name of the official approving the document.



U.S. Department of Justice

file:
FBI files

Federal Bureau of Investigation

Office of the General Counsel

Washington, D.C. 20535

August 2, 1996

Mr. John M. Quinn
Counsel to the President
The White House
Washington, D.C.

Dear Mr. *Jack* Quinn:

Following Deputy Attorney General Gorelick's approval of revised procedures for dissemination of FBI file information to the White House, follow-up coordination among cognizant FBI and White House staffs identified a number of opportunities for improving and refining this process while continuing to scrupulously guard its integrity. This confirms the resulting resolutions.

The staff discussions indicated that it would be helpful to review the nature of the various FBI personnel investigations currently available to the White House. These are detailed in enclosure (1).

The new form by which White House components will request FBI personnel investigations will have two versions, one bearing a White House letterhead and one bearing an Executive Office of the President (EOP) letterhead. This will help maintain a clear demarkation between records of the White House Office and EOP records. Enclosures (2) and (3) are copies of these two versions.

The new forms embody a number of modifications to improve their accuracy and utility. A number of ancillary procedural clarifications have also been addressed. These are summarized in enclosure (4).

I have received your letter to Director Freeh of June 17, 1996, providing the names of attorneys in the White House Counsel's Office authorized to approve White House (but not EOP) requests. I request that the FBI be provided by official correspondence with specimen signatures of these attorneys for our comparison in reviewing requests, and that we further be apprised by official correspondence of any subsequent changes of approval authority.

Mr. John M. Quinn

I would like to express my appreciation for your and your staff's outstanding effort, cooperation, and assistance in this endeavor. Please don't hesitate to let me know if my office can be of assistance in resolving future issues which may surface. For staff coordination, my points of contact are Pat Kelley, Chief of our Administrative Law Unit, and Bill Miller of that unit. Either may be reached at (202) 324-4523.

Sincerely,

A handwritten signature in cursive script, reading "Howard M. Shapiro".

Howard M. Shapiro
General Counsel

Enclosures (4)

**SUMMARY OF FBI PERSONNEL INVESTIGATIONS
CURRENTLY PROVIDED TO THE WHITE HOUSE / EOP**

Rev. 8/02/96

Requests Under EADSU Cognizance

The Executive Agencies Dissemination Subunit (EADSU) (known colloquially as the "Name Check Unit") processes requests which only require a file search of existing FBI records accessible from FBI Headquarters. EADSU handles two types of requests:

1. **Name Checks.** These entail name searches of pertinent components of three main FBI file systems. Requestors will be apprised of the search results and provided appropriate summaries or extracts of any relevant information located. The three file systems searched are:

a. **FBI Central Records System (CRS).** This system includes individuals who relate in any manner to official FBI investigations (both closed and open) including subjects, suspects, and close relatives and associates who are relevant to an investigation. This search is conducted against FBI Headquarters central indices and information management applications in which these individuals are indexed by name.¹

b. **National Crime Information Center (NCIC) "wanted persons" files.** This search encompasses data entered by authorized officials of the Federal Government, the States, territories/possessions, local jurisdictions, and certain foreign governments relating to wanted persons and certain other persons of interest to law enforcement authorities as follows--

- individuals for whom Federal warrants are outstanding;

- individuals for whom a felony or serious misdemeanor State/local warrant has been issued;

- probation and parole violators meeting the foregoing criteria;

- individuals for whom a "Temporary Felony Want" has been entered under circumstances precluding the immediate procurement of a felony warrant;

¹ It should be noted, however, that the FBI does not index all individuals who furnish information or all names developed during the course of an investigation; only those names considered pertinent, relevant, or essential for future retrieval are indexed. Moreover, in some instances Headquarters indices may not reveal information available in FBI field offices but not forwarded to FBI Headquarters.

- juveniles who have fled after being charged with commission of a delinquent act that would be a crime if committed by an adult or who have been adjudicated delinquent and who have escaped or absconded from custody, even though no arrest warrants were issued;

- individuals who have committed or have been identified with an offense committed in a foreign country, which would be a felony if committed in the United States, and for whom a warrant of arrest is outstanding and for which act an extradition treaty exists between the United States and that country;

- missing persons;

- individuals designated by the U.S. Secret Service as posing a potential danger to the President and/or other authorized protectees; and

- individuals about whom investigation has developed sufficient information to establish membership in a particular violent criminal gang or in a particular terrorist organization.

c. **Interstate Identification Index (III).** This system (which is a separate component of NCIC) encompasses individuals who have been fingerprinted and whose automated criminal history record information ("rap sheets") have been entered into the system by Federal, State, or local criminal justice authorities. This system is searched using the full biographical identification information (name, date of birth, social security number, etc.) provided by the requestor.²

2. Requests for Copies of Reports of Prior FBI Background Investigations (BIs). EADSU locates any prior FBI BI reports and provides the requestor a copy of each such report (except for outdated non-derogatory reports). However, no new or supplemental investigative efforts are undertaken.

Requests Under SIGBIU Cognizance

The Special Inquiry and General Background Investigation Unit (SIGBIU) processes those requests which will require use of and coordination with FBI field resources. SIGBIU

² Since simple name checks are submitted without fingerprint cards, no manual check of FBI fingerprint records is possible, and without fingerprint confirmation, search results based only on biographical data can never be absolutely validated as relating to the actual subject. However, when name checks are conducted in connection with an inquiry which includes fingerprint cards (e.g., background investigation), the search will also include an actual comparison against FBI criminal fingerprint files.

tasks FBI field resources as warranted and combines resulting inputs with the results of SIGBIU's own inquiries into a report summarizing information developed. SIGBIU handles five main types of requests:

1. **Full Field Investigations (FFI) (Levels I, II, or III).** An FFI is a BI which encompasses personal interviews and a wide range of records checks (including all those involved in an expanded name check, discussed below). The scope of the investigation will depend on the position involved and whether or not there has been a previous BI concerning the subject. In all cases, however, the investigation will thoroughly and completely address any unfavorable information or issues developed. The three FFI levels³ are:

- Level I. Covers the extent of the subject's adult life. (Primarily utilized on all cabinet-level, inspector-general, judicial, and senior White House staff appointments.)

- Level II. Covers the past 15 years of the subject's life, or since age 18, or at least the last 2 years. (Primarily utilized for other full-time presidential appointments and White House and National Security Council staff/access positions.)

- Level III. Covers the past 10 years of the subject's life, or since age 18, or at least the last 2 years. (Primarily utilized for support, access, and maintenance positions at the White House, and part-time presidential appointments.)

2. **5-Year Reinvestigation (90-Day Update) (Levels II or III).** Covers the period of the person's life since a previous BI conducted by the FBI when the person has had continuous employment since the last BI. (Full Field BI's should be updated every 5 years; "90-day" refers to the FBI's target for completing such updates.) The scope of items addressed is more extensive for Level II.

³ These levels reflect unique categories which since at least 1990 have defined the scope of background investigations conducted by the FBI for the White House/EOP. In 1995, however, the Administration approved new background-investigation questionnaire forms (SF-86, SF-85P, and SF-85), and OMB has required that the new forms be used government-wide by 9/1/95. The new SF-86 limits the scope of questioning on most sensitive issues to seven years. Even the least comprehensive of the White House levels thus exceeds the new OMB limits, and the OMB limits also conflict with certain existing national security standards. Agencies may, however, use different forms (and different time limits) with prior approval from OMB, and it may be that the White House (though not the EOP) is not constrained by the OMB limitations in the first place. Whether or not these levels will continue to be utilized is the subject of ongoing discussions between the White House/EOP and the FBI.

3. **Expanded Name Checks.** In addition to the same searches conducted for regular name checks (as indicated above), an expanded name check also includes checks of local indices in FBI field offices where the subject works and resides, and checks of the civil and criminal files of the United States Attorneys' offices at these same locations.

4. **Limited Updates.** Conducted at White House request when a Full Field BI has been completed within the last 5 years. Limited Updates are limited to: an interview of the subject; interviews of persons who are familiar with the subject in a professional capacity; appropriate records checks, i.e., FBI Headquarters and pertinent field office indices, law enforcement agencies, pertinent United States Attorneys' offices, and appropriate state and/or Federal agencies; and any issues identified on the Standard Form 86 or developed during the course of the Limited Update that have not been previously explored.

5. **Limited Inquiries.** These would encompass other inquiries appropriate under the circumstances of particular cases. Examples would include follow-up inquiries conducted to resolve particular issue(s) or question(s) usually arising from a regular or extended name check or after the completion of a full field background investigation.

**THE WHITE HOUSE
WASHINGTON**

Date _____

To: Federal Bureau of Investigation
Attn: ☐ EADSU (Room 4965) ☐ SIGBIU (Room 4371)

From: The White House
☐ EOP Security Office
☐ White House Counsel's Office

Subject's full name _____

Other names used (including birth, prior married, and nicknames) _____

Social Security Number _____ Date of birth _____ Place of birth _____

Permanent address
(also current residence, if different) _____

Current employer(s) _____

SUBJECT'S CONSENT: I hereby authorize the FBI to provide the information specified below to the White House.

(Subject's Signature)_____
(Date)

Request of FBI (Use of this form to request information developed by the FBI or contained in FBI files requires the subject's consent. Exceptions will only be permitted as authorized by the Attorney General/Deputy Attorney General.)

- ☐ Name check (EADSU) ☐ Copy of previous report (EADSU)
☐ Expanded name check (SIGBIU)
☐ Full field investigation (SIGBIU) ☐ Level 1 ☐ Level 2 ☐ Level 3
☐ 5-year reinvestigation (SIGBIU) ☐ Level 2 ☐ Level 3
☐ Limited update investigation (SIGBIU)
☐ Other (specify) _____

The applicant is being considered for:

- ☐ Presidential appointment ☐ Position requiring Senate confirmation
☐ White House staff position
☐ Access: ☐ Detailee/other government employee ☐ Contractor ☐ Intern ☐ Volunteer
☐ Presidential recognition
☐ Other (specify) _____

Attachments: ☐ SF-86 ☐ SF-86 Supplement ☐ SF-87 Fingerprint Card

Remarks/
special instructions: _____

I certify, subject to 18 U.S.C. § 1001, that the above is sought for official purposes only and I understand that obtaining this information under false pretenses or any unauthorized disclosure may be a violation of the Privacy Act, 5 U.S.C. § 552a.

Requested by: _____
(Signature)

This request has been reviewed and approved by the White House Counsel's Office.

Approved by: _____
Signature (White House Counsel's Office)

- 1 - Original - To FBI
 2 - Pink - To FBI (Return to White House)
 3 - Canary - To FBI (Office of the General Counsel)
 4 - Gold - White House Origination Copy

**EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON**

Date _____

To: Federal Bureau of Investigation
Attn: ☐ EADSU (Room 4965) ☐ SIGBIU (Room 4371)

From: Security Office, Office of Administration, Executive Office of the President (EOP)

(for following EOP organization: _____)

Subject's full name _____

Other names used (including birth, prior married, and nicknames) _____

Social Security Number _____ Date of birth _____ Place of birth _____

Permanent address
(also current residence, if different) _____

Current employer(s) _____

SUBJECT'S CONSENT: I hereby authorize the FBI to provide the information specified below to the EOP.

(Subject's Signature)

(Date)

Request of FBI (Use of this form to request information developed by the FBI or contained in FBI files requires the subject's consent. Exceptions will only be permitted as authorized by the Attorney General/Deputy Attorney General.)

- ☐ Name check (EADSU) ☐ Copy of previous report (EADSU)
☐ Expanded name check (SIGBIU)
☐ Full field investigation (SIGBIU) ☐ Level 1 ☐ Level 2 ☐ Level 3
☐ 5-year reinvestigation (SIGBIU) ☐ Level 2 ☐ Level 3
☐ Limited update investigation (SIGBIU)
☐ Other (specify) _____

The applicant is being considered for:

- ☐ EOP staff position
☐ Access: ☐ Detailee/other government employee ☐ Contractor ☐ Intern ☐ Volunteer
☐ Presidential recognition
☐ Other (specify) _____

Attachments: ☐ SF-86 ☐ SF-86 Supplement ☐ SF-87 Fingerprint Card

Remarks/
special instructions: _____

I certify, subject to 18 U.S.C. § 1001, that the above is sought for official purposes only and I understand that obtaining this information under false pretenses or any unauthorized disclosure may be a violation of the Privacy Act, 5 U.S.C. § 552a.

Requested by: _____
(Signature)

This request has been reviewed and approved by an authorized official of the cognizant EOP organization.

Approved by: _____
(Signature)

- 1 - Original - To FBI
 2 - Pink - To FBI (Return to EOP Security Office)
 3 - Canary - To FBI (Office of the General Counsel)
 4 - Gold - EOP Origination Copy

 Name: _____
 Title/ Organization: _____

**IMPLEMENTATION OF REVISED PROCEDURES
FOR DISSEMINATION OF FBI FILE INFORMATION TO THE WHITE HOUSE/EOP
August 2, 1996**

Following Deputy Attorney General Gorelick's approval of revised procedures for dissemination of FBI file information to the White House/EOP, follow-up coordination among cognizant FBI and White House/EOP staffs identified a number of opportunities for improving and refining this process while continuing to scrupulously guard its integrity. This confirms the resulting resolutions.

I. Revised Request Forms

The new form by which White House/EOP components will request FBI personnel investigations will have two versions, one bearing a White House letterhead and one bearing an Executive Office of the President (EOP) letterhead. (This will help maintain a clear demarkation between records of the White House Office and EOP records.) The new forms embody a number of modifications to improve their accuracy and utility. These include:

1. A specific space has been added on the EOP version for indicating which EOP component has cognizance over the request.

2. More check-blocks have been added to better cover items often addressed in typical requests (e.g., 5-year reinvestigations, contractors, other government employees (in addition to detailees), positions requiring Senate confirmation, and reinvestigation levels).

3. The subject's consent statement has been bolded to enhance its conspicuousness (but the check-block in front of the consent statement has been deleted as being redundant with the subject's signature).

4. The lead-in of the "Request of FBI" portion has been revised to delete reference to the option that a written explanation of the cognizant White House/EOP component counsel may substitute for the subject's consent. As to this form, this reference is irrelevant and could be misleading. White House/EOP components do have an option to request information even without the subject's consent, but such requests are to be limited to extraordinary circumstances set forth in a letter of justification to the General Counsel of the FBI, signed by the cognizant component counsel, and concurred in by the Attorney

General or the Deputy Attorney General.¹ Thus this routine request form would not be the appropriate vehicle for making a request without the subject's consent.²

5. Reminders as to EADSU's and SIGBIU's areas of responsibility have been added.

6. The "official use" certification has been expanded to also acknowledge that obtaining information under false pretenses is a violation of the Privacy Act.

7. As indicated in the Counsel to the President's memorandum for Mr. Panetta of June 14, 1996, the provision that FBI personnel investigations will only be predicated upon the subject's consent (or the Deputy Attorney General's approval) does not apply to "computerized criminal history check[s]." The referenced checks only encompass searches of the National Crime Information Center's (NCIC) files of "wanted persons" and criminal history record information ("rap sheets") on individuals who have been criminally fingerprinted. Thus as can be seen, reliance on these checks alone would fail to reveal such crucial information as on-going criminal investigations, national security concerns, suspect associations, and so forth. Moreover, these checks can also be conducted by the Secret Service. In view of the foregoing, the FBI understands that at this time White House/EOP components do not anticipate seeking such limited criminal history checks from the FBI. Accordingly, they are not specifically addressed on the new forms.

8. The order of copies in the form package will be rearranged to match the order that copies are detached in processing.

II. Resolution of Staff Questions and Clarification of Procedures

1. White House/EOP records requests must be accompanied by the appropriate version of the new FBI records request form properly completed and with all three of the required signatures (subject's consent, requestor, and component approval). This includes not only requests for the White House Office, but also requests for EOP components.

¹ See ¶1a, FBI General Counsel H. M. Shapiro's memo of 6/14/96 (approved same date by Deputy Attorney General Gorelick); ¶1, 4th bullet, Counsel to the President Jack Quinn's memo of 6/14/96.

² As a limited exception, neither consent nor a written explanation would be required to obtain computerized criminal history checks of NCIC files of wanted persons and criminal histories. As discussed at ¶ 1.7 *infra*, however, use of this limited exception is not currently anticipated.

2. White House/EOP component approval should be exercised by the general counsel or appropriate designee. (If a component does not have a general counsel, approval may be exercised by an official of comparable level (or appropriate designee thereof).) Components are responsible for providing the FBI via official correspondence with the titles, names, and specimen signatures of the person(s) with approval authority for each component; components are further responsible for apprising the FBI by official correspondence of any changes in approval authority.

3. In lieu of the subject's actually signing the consent on the original request provided the FBI, substitute consents submitted by a distant subject via fax, e-mail, electronic message, or the like will be acceptable. The White House/EOP requester should staple or otherwise affix the substitute consent to the copy of the request actually submitted to the FBI. In such cases, the original signature of the cognizant White House/EOP approval authority will constitute sufficient authentication of the subject's signature, and the copy executed by that authority (with the substitute consent affixed) will be considered the "original." The FBI will make additional distribution copies as required. Follow-up submission to the FBI of the form actually signed by the subject is neither necessary nor desired.

4. The personal biographical information entered on submitted forms must be legible through all copies. This is best achieved when the information is typed. However, the cognizant FBI processing unit (EADSU, SIGBIU) has discretion to accept forms completed by alternate means; White House/EOP personnel should coordinate directly with the cognizant FBI unit for guidance in such cases.

5. The subject's consent signature must be dated within 30 days of the White House/EOP request to the FBI.

6. The White House or EOP need not provide a new consent form when requesting follow-up inquiries which can reasonably be viewed as being within the ambit of a previously provided consent. (E.g., when the White House/EOP asks the FBI to further develop matters raised in a report of background investigation to which the subject consented.) White House/EOP requests for supplemental inquiries submitted within 30 days of the original FBI report may be presumed to be within the ambit of the original consent.

7. The White House/EOP should forward each request directly to the FBI unit with cognizance over the particular type of request. In turn, the cognizant FBI unit will forward responses directly to the cognizant White House/EOP office (i.e., White House Counsel's Office for Presidential appointment

requests which originated there, NSC Security Office for NSC requests, and EOP Security office for all other requests).

8. Either EADSU or SIGBIU is authorized to return requests to the White House which are clearly defective on their face.

9. The FBI will only be able to provide a single copy of its response for the component which authorized the request. Where the "Third Agency Rule"³ applies, the requesting component has FBI authorization (absent notification to the contrary) to provide the FBI's response to the Secret Service or to the EOP Security Office, or both, if the requesting component determines that any such additional recipient has a legitimate need to have the information for the proper performance of official responsibilities and that any such disclosure is not otherwise precluded by applicable laws or regulations.

10. The FBI General Counsel (GC) may resolve issues involving interpretation of these procedures, including their applicability to situations not anticipated in their formulation. In so doing the FBI GC will give due consideration to applicable statutes and regulations, the policy considerations underlying these procedures, along with a "rule of reason." The FBI GC's determinations shall be final and conclusive. The FBI GC may delegate this authority to an attorney in the FBI's Office of the General Counsel.

³ See § 4.2(b), Ex. Ord. No. 12958, "Classified National Security Information," which provides that an agency "shall not disclose information originally classified by another agency without its authorization."

FBI Files News Summary
Friday, July 19, 1996



Publication	Writer/Headline	Summary/Highlights
<i>The Washington Post</i>	George Lardner, Jr. Anne Farris "Ex-White House Investigator Continues to Invoke Fifth Amendment"	During a 75 minute closed-door hearing, Marceca refused to answer any questions or produce any documents requested by the Senate committee. Marceca said he would turn over documents only if the committee gave him limited immunity so the act of producing the documents could not be used against him. Starr advised that granting immunity now could hamper his independent investigation later. Marceca previously admitted to looking at his own background investigation file.
<i>The Wall Street Journal</i>	What's News	Sen. Hatch said the Senate Judiciary Panel may go to court to force testimony from Marceca.
<i>The Washington Times</i>	Inside Politics Greg Pierce "No Problem"	The <i>Washington Times</i> staff contacted Barry McCaffrey to get his opinion on past drug use by WH employees. His office referred them to Mike McCurry and then faxed a response saying people who have rejected prior experience with illegal drugs should not be excluded from public service.

<i>The Washington Times</i>	Inside the Beltway John McCaslin "Familiar Four"	<i>The Washington Times</i> obtained a copy of a WH memo sent to staff by Foster and Kennedy in 2/93 urging staff to complete their security clearance forms and participate in interviews with FBI Agents Aldrich and Sculimbrene. McCaslin notes that all names mentioned in the memo are notorious today.
<i>USA Today</i>	In Washington "FBI Files"	Marceca refused to answer questions from the Senate Judiciary Committee. Sen. Hatch wants to take the issue to court and force Marceca to testify.

What's News—

Business and Finance

GREENSPAN SUGGESTED that progress against inflation may be drawing to a close, but stopped short of saying policy makers will have to raise interest rates. The Fed chairman said 1996 so far "has been a good year" for the economy, but that it would begin to slow down in the second half. He said the Fed will be in a state of "heightened surveillance" for signs of higher inflation in weeks ahead.

Stocks and bonds rallied on his testimony. The benchmark bond's price rose nearly 1 1/4 points, pushing the yield back below 7%. The Dow Jones industrials rose 87.30 to 5464.18, and the Nasdaq gained 23.17 to 1109.82.

(Articles on Pages A2, C1 and C19)

AT&T showed significantly lower calling volume and revenue growth in the second quarter, though its overall net income rose by 10%. The company's shares fell 4% to \$54.125.

Lucent posted strong quarterly revenue growth, but profit was cut by the high cost of splitting from AT&T.

(Articles on Pages A3 and B4)

The trade deficit ballooned to \$10.88 billion in May, widening \$1.27 billion from the revised April deficit. Imports of autos and toys surged.

(Article on Page A2)

Johnson Controls reached a definitive pact to buy Prince Automotive for \$1.35 billion. The move would allow Johnson to offer a far wider range of automotive-interior products.

(Article on Page A3)

General Mills will introduce its first Betty Crocker-brand cereals this fall, hoping to lift the company's percentage share of the cereal market.

(Article on Page B1)

Sunbeam named the former chief of Scott Paper, Albert J. Dunlap, as chairman and CEO, hoping he can pull off another corporate turnaround.

(Article on Page B2)

Chase, anticipating that Sumitomo will formally ask it to roll over a \$500 million loan, is re-examining the circumstances surrounding the loan.

(Article on Page A4)

The NASD knew of problems with trading spreads long before studies highlighting the problem were made public, government documents say.

(Article on Page B5)

Maxxam Chairman Hurwitz is close to a deal with the U.S. and California under which Maxxam would swap a grove of redwoods for land.

(Article on Page A4)

Bankers Trust and KeyCorp announced better-than-expected profits, in a week of mostly good bank news.

(Article on Page A4)

Three regional phone companies reported stronger quarterly net income on an increase in revenues.

(Article on Page B4)

World-Wide

INVESTIGATORS HUNTED for clues to why a TWA 747 exploded and crashed.

The airline revised the number of people aboard to 230, including 212 passengers and 18 crew members, which would make it the second-worst air crash ever in the U.S. Clinton warned against speculating about the cause, but an FBI antiterrorist task force was on the scene. One official said investigators were focusing on, among other things, an on-board explosion or a missile attack.

The president led a group of young people in prayer for 16 Pennsylvania students, members of their high school French club, who were aboard Flight 800 from New York to Paris. More than 100 bodies were found yesterday, and relatives were gathered at airports in both cities. (Articles in Column 6 and on Pages B1 and B7)

The crash occurred amid an economic comeback by TWA, which had been in bankruptcy court twice recently. If maintenance problems are implicated, attention will focus on the age of its fleet.

The House approved a major overhaul of welfare programs that emphasizes putting recipients to work and eliminates the federal guarantee of benefits. Thirty Democrats joined in the 256-170 passage of the bill. The Senate may approve a version next week. Clinton is seeking changes before he will sign the measure. (Article on Page A3)

The Senate passed a \$245 billion defense-spending bill that adds \$10 billion to the amount requested by Clinton, and thus faces a veto. The measure was approved in a 72-47 vote. It must now be reconciled with a version that has been passed by the House.

Clinton denied giving two bankers state posts in exchange for campaign contributions while he was Arkansas governor. The videotaped testimony came in the trial of the bankers on charges brought by the Whitewater prosecutor. The president appeared calm, but said he didn't recall some of the events at issue. (Article on Page B6)

More than 4,000 Tamil rebels overtook Sri Lankan military base about 175 miles northeast of Colombo, overwhelming 1,200 defenders in one of the biggest battles of the 13-year-old civil war. Casualty reports were sketchy, but rebels claimed to have killed 150 government soldiers. Colombo was rushing reinforcements to the area.

Netanyahu met with Egyptian President Mubarak in Cairo. Against the backdrop of a very hostile reception by the local media, the new Israeli prime minister again pledged to abide by all agreements with Arabs and to "widen the circle of peace." A U.S. envoy begins a Mideast tour next week to test sentiment for renewed Israel-Syria talks.

A Chechen man held a news conference claiming to be a rebel commander who was reported killed after leading a big raid into Dagestan in January. He said he had undergone treatment in Germany after being shot by a Russian sniper, that his followers set two Moscow tram bombs last week, and that rebel leader Dzhokhar Dudayev is alive.

A top U.S. envoy held a second day of talks with Serbia's Milosevic in an effort to press Belgrade to remove Bosnian Serb leader Karadzic from power. A spokesman characterized the talks as "tough." Holbrooke said the largest Bosnian Serb party may be barred from a September election.

The Summer Olympics open today in Atlanta with more than 10,000 athletes from 197 countries, the most ever, due to compete over the next 16 days. The Games are the 26th of the modern era, and the first in the U.S. since 1984. Security is heavy for opening ceremonies. (Articles on Page A6)

The U.N. accepted Iraq's plan for distributing civilian supplies under an agreement partially easing sanctions to allow limited oil sales. Further approvals are needed. Meanwhile, the chief U.N. arms inspector briefed the Security Council on Iraq's barring of inspectors from suspected weapons sites.

The Senate Judiciary panel may go to court to obtain documents held by a White House worker who gathered FBI files on hundreds of Reagan and Bush employees, the committee's chairman said. The threat came after the employee, Anthony Marceca, refused to testify in an hourlong hearing.

Teamsters President Ron Carey lost a nonbinding poll to James P. Hoffa, son of the union leader who mysteriously disappeared in 1975. The two will face off in a November vote for the presidency. Carey's forces earlier lost several key votes to Hoffa's at the union's convention. (Article on Page A14)

Union Pacific and CSX had quarterly earnings that were stronger than expected, helped by traffic gains and efficiency improvements at rail units.

(Article on Page B4)

Japan threatened to curb U.S. airline-cargo business there if Washington moves ahead with sanction proceedings against Japanese carriers.

(Article on Page A8)

Markets—

Stocks: Volume 469,646,394 shares. Dow Jones industrials 5464.18 up 87.30; transportation 2031.94, up 13.42; utilities 213.32, up 0.21.

Bonds: Lehman Brothers Treasury index 6274.92, up 68.69.

Commodities: Oil \$21.68 a barrel, off 12 cents. Dow Jones futures index 143.01, off 0.47; spot index 148.52, off 0.25.

Dollar: 105.35 yen, off 0.33; 1.4913 marks, up 0.0065.

THE WALL STREET JOURNAL

FRIDAY, JULY 19, 1996

Familiar four

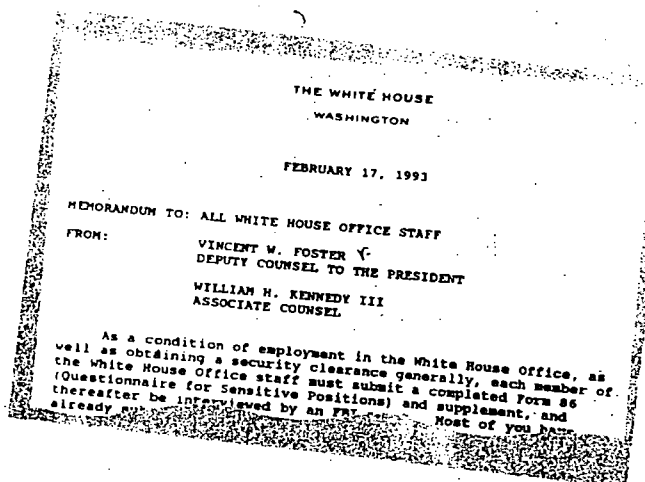
The four persons in the White House memo, written more than three years ago and obtained by this column this week, are now household names, at least in Washington and Little Rock, Ark. Dated Feb. 17, 1993, the message went out in much better times — for all involved.

Written and initialed by Vincent W. Foster Jr., deputy counsel to the president, and William H. Kennedy III, former associate counsel, it was sent to all members of the White House staff.

It reads: "As a condition of employment in the White House office, as well as obtaining a security clearance generally, each member of the White House Office staff must submit a completed Form 86 (Questionnaire for Sensitive Positions) and supplement, and thereafter be interviewed by an FBI agent. Most of you have already submitted the paperwork. You should be receiving a call from Agent Gary Aldrich or Agent Dennis Sculimbrene requesting a meeting with you. It is mandatory that you have a personal interview with one of these agents before you can receive final clearance to work in the White House Office and obtain a permanent badge.

"There are a large number of staff members yet to be interviewed and only a few weeks left to complete them before your temporary clearance expires. Please be responsive to the Agent's request for an interview and accommodate his schedule. Avoid the last-week crunch and the risk of expiration of your temporary clearance."

Here we are now, midway through 1996, and President Clinton is running — almost un-



Vincent W. Foster Jr., William H. Kennedy III, Gary Aldrich and Dennis Sculimbrene were obscure when this memo was written Feb. 17, 1993.

obstructed — for a second term. Mr. Foster is dead, although he still can't rest in peace, due partly to "Filegate." There are those in the White House who contend he hired D. Craig Livingstone to head the personnel security office, and Mr. Foster's not around to say otherwise.

Mr. Kennedy, meanwhile, has been busy testifying on Capitol Hill on the matter, pleading ignorance for the most part. The third

name in the memo, FBI agent Gary Aldrich, has since authored a book, "Unlimited Access." He wrote that Mr. Kennedy told him that hiring Mr. Livingstone was "a done deal. Hillary wants him."

Mr. Sculimbrene, finally, says we should believe Mr. Aldrich. Stay tuned.

This is freedom?

We're told that Freedom, the American bald eagle released

two weeks ago by President Clinton at Maryland's Goose Creek Wildlife Preserve, is recovering after it took a wrong turn on its way to freedom and flew over an osprey nest on the Chesapeake Bay. The ospreys attacked the eagle to protect the nest.

A U.S. Coast Guard boat pulled the eagle from the Bay and transported it to shore. Freedom is now recovering at a Delaware wildlife rehabilitation center.

Field of dreams

For several weeks, a group of construction workers watched Republican congressmen practice at Alexandria's Four Mile Run Park for the 35th Annual Congressional Baseball Game for charity, to be played Thursday in Prince George's County Stadium in Bowie.

As Rep. Steve Largent, the ex-Seattle Seahawks football star from Oklahoma, was leaving practice one morning, two of the construction workers (who were working at a site nearby) approached him.

"We can beat you!" they informed the congressman.

Mr. Largent passed along the blue-collar challenge to GOP team leader Rep. Dan Schaefer of Colorado. He arranged for a game played yesterday. It was all tied-up, 11-11, going into the last inning. Then a line drive by Rep. John Ensign of Nevada drove home Rep. Scott L. Klug of Wisconsin, and the congressmen beat the hardhats 12-11.

The construction workers weren't aware that Mr. Largent pitches a baseball almost as capably as he catches a football. In last year's congressional game, he was voted the most valuable player for his efforts.

Where to play

Here's the latest on the on-again, off-again plans for the first family's summer vacation. Word from first lady Hillary Rodham Clinton's office is that the family is considering spending a week in northern Michigan, around Traverse City.

Traverse City is summer home to a few prominent political columnists, among them The Washington Post's David Broder. The area is also home to several world-class golf courses, which of course would delight Mr. Clinton, who already knows the area from meetings he attended as Arkansas governor.

Charles Blankenship, president of the Traverse Bay Economic Development Corp., calls his town "a good choice" for the first family, although word of a possible presidential vacation had not yet reached the shores of Lake Michigan.

Michigan was put on the list in part because the Clinton campaign thinks it can win the state, which is a must for Bob Dole. Presidential vacations, you see, always generate wide press coverage in host states.

Nevertheless, Mr. Blankenship notes that Traverse City "is the den of Republicanism. If there is a Democrat here, we don't know about it."

Apart from Michigan, Mr. Clinton is said to be considering a vacation in electoral-vote-rich California, somewhere around Lake Tahoe.

WORLD

Envoy again requests rebel Serb's ouster

U.S. special envoy Richard Holbrooke met Serb President Slobodan Milosevic for the second day to press for removal of Bosnian Serb leader Radovan Karadzic.

The United States and European allies have demanded that Karadzic be ousted from power in Bosnian Serb territory and stay out of post-war elections scheduled for Sept. 14. His removal is required by the Dayton, Ohio, peace agreement brokered by the United States last year. Holbrooke told reporters in Sarajevo that he supported banning Karadzic's Serb Democratic Party from the election if he remains the party chief. And he said the elections would take place without the party.

"It will be on the one hand a little more difficult to implement and on the other hand a cleaner election, because an organization headed by an indicted war criminal is not running."

The Organization for Security and Cooperation in Europe, which is overseeing the Bosnia elections, is expected to announce a decision on Karadzic's party today.

MORE JAPANESE FOOD POISONINGS: A new rash of food poisoning cases was reported in Yokohama, 18 miles south of Tokyo. Children and teachers were again the victims of the illness, which is being traced to school lunches. More than 7,000 people have been sickened nationwide. Four have died and nearly 600 have been hospitalized. It was unclear whether the bacteria involved in Yokohama is the type of E. coli bacteria blamed for sickening 5,535 people in the western city of Sakai. Reports have cited roast pork or eel sushi as a possible source. The Sakai strain of E. coli is similar to one that sickened about 500 people who ate undercooked hamburgers in Washington state in 1993.

U.N. STANDOFF IN IRAQ: A team of United Nations arms experts have suspended their inspection program after being barred by Iraq from entering a "sensitive site." The latest standoff violated a June 22 agreement in which Iraq promised access to all sites. Despite the standoff, the United Nations accepted Iraq's plan for distributing supplies to its population in an "oil-for-food" scheme. The deal would allow Iraq to sell limited quantities of oil. Sale has been banned under sanctions in force since Iraq's 1990 invasion of Kuwait.

STRIKES STALL LONDON: London's fourth one-day subway strike in as many weeks brought traffic chaos Thursday. All but five trains were shut down. And in separate day-long strikes, thousands of postal workers and firefighters also walked off the job. Eight more one-day strikes are planned through Sept. 9 in a dispute over proposals to cut the workweek.

CHECHEN REBEL SAYS DUDAYEV ALIVE: The Chechen rebels' field commander, Salman Raduyev, believed killed leading a hostage raid against Russian troops in January, reappeared Thursday. He said former separatist leader Dzhokhar Dudayev, also thought dead, is alive as well. At a news conference in a secret location in Chechnya, Raduyev wore sunglasses and a black beret. He was barely recognizable after plastic surgery in Germany. He said his face had been severely wounded by a Russian sniper's bullet. His comments could not be independently confirmed.

IN WASHINGTON

Time-limit workfare proposal, with \$60B savings, passes House

A welfare-reform plan with tough work requirements and time limits on benefits is a step closer to President Clinton's desk. The House voted 256-170 Thursday for a Republican plan that ends the 61-year-old guarantee of cash aid to the poor. A Senate vote is planned next week.

"The only person standing in the way of strong welfare reform is President Clinton," said House Ways and Means Committee Chairman Bill Archer, R-Texas. "To this day, we don't really know where he stands."

The House bill gives states control of their welfare programs, requires adults to find jobs within two years and limits lifetime benefits to five years. It also cracks down on unmarried teen-agers, mothers who have additional children on welfare, and legal immigrants.

Total savings: \$60 billion over six years. Republicans said the measure projects federal spending of \$578 billion on welfare over the next six years, up from \$441 billion the past six years.

Most Democrats argued that the GOP bill would threaten food stamps and Medicaid coverage and ban legal immigrants from receiving benefits.

"No child in America asked to be here," said Sen. Daniel Patrick Moynihan, D-N.Y. "Why then are we determined to punish them?"

Only 30 of 195 Democrats supported the plan after a bipartisan version was rejected; four of 230 Republicans opposed the GOP plan. Clinton has called for ending "welfare as we know it" since his 1992 campaign, but he vetoed a tougher version of the GOP plan in January. The White House has objected to many provisions in the new plan and is seeking changes in the Senate.

"He's anxious to sign one, but he's not afraid to veto one," says Senate Minority Leader Tom Daschle, D-S.D.

— Richard Wolf

FBI FILES: The Senate Judiciary Committee may go to court to get documents held by the White House worker who gathered FBI background files on hundreds of Reagan and Bush employees. Judiciary members, in a closed session Thursday, tried to question former White House employee Anthony Marceca, who collected the files. But Marceca repeatedly refused to answer by claiming his constitutional privilege against incriminating himself. Marceca also refused to surrender documents the panel subpoenaed. The panel chairman, Sen. Orrin Hatch, R-Utah, said the panel may go to court to force Marceca to testify and also hand over all files.

LAMM ON PEROT: Richard Lamm said Thursday that it's time for the Reform Party to "declare independence from Ross Perot," the founder of the organization. "He is not the one to take it to the next phase," said the ex-Colorado governor, who is running for the party's nomination. Lamm, in a speech to the National Press Club, described Perot as a man deserving "respect and honor" for sparking the third-party movement but also a controlling figure who shouldn't be the leader of the nation. "I think Ross Perot as president would be more autocratic, and I hope I would be more oil can," he said.

DEFENSE APPROPRIATIONS: The Senate passed a \$245 billion defense appropriations bill, adding \$10 billion more than President Clinton requested. The House and Senate have now passed similar defense authorization and appropriations bills and will negotiate the differences. Lawmakers rejected attempts to trim spending or curtail weapons projects, including a plan that would make it harder for Congress to add spending in programs not part of a Pentagon request or long-term plan.

USA TODAY

FRIDAY, JULY 19, 1996

Ex-White House Investigator Continues to Invoke Fifth Amendment

By George Lardner Jr. and Anne Farris
Washington Post Staff Writers

The former White House investigator at the center of the FBI files controversy invoked his Fifth Amendment privilege against self-incrimination yesterday in the face of dozens of questions from members of the Senate Judiciary Committee.

Appearing under subpoena, Anthony B. Marceca fielded inquiries from Republican and Democratic senators during the 75-minute session with the same steady response.

"He refused to answer any questions or produce any documents, in an unconditional manner," Sen. Orrin G. Hatch (R-Utah), the committee chairman, told reporters after the hearing.

Marceca, 54, had testified last month before a federal grand jury and then a House committee about his improper acquisition in 1993 and 1994 of sensitive FBI background reports on hundreds of Republicans, ostensibly on the grounds that they still needed access to the White House complex. He said he did not realize he was working from outdated lists. On June 28, however, Marceca reversed course and began invoking the Fifth Amendment.

As required by the subpoena, Marceca showed up with a thick briefcase full of documents bearing on the dispute. But he said he would turn them over only if the committee gave

him a limited grant of immunity so that the act of producing the records could not be used against him. Independent counsel Kenneth W. Starr's office cautioned the committee against such a step, saying that "any grant of use immunity to Mr. Marceca at this time, including any grant of so-called act of production immunity" could hobble his investigation.

Hatch asked Marceca's lawyer, Robert F. Muse, to submit a memo explaining why the committee should agree to his request. The senator said he did not believe Marceca's Fifth Amendment right extended to documents and computer disks he has acknowledged having.

The committee voted 15 to 2 to conduct its questioning behind closed doors as Marceca and his lawyers had requested. Hatch said a transcript would be made public.

"He took the Fifth on everything," said Sen. Alan K. Simpson (R-Wyo.). "Everybody has asked every question that can be asked. What did he do? Where did he work? What campaigns did he work on?"

A civilian investigator for the Army, Marceca came to the White House in August 1993 at the behest of the then-head of the personnel security office, Craig Livingstone, an old friend and fellow foot soldier in various Democratic presidential campaigns. Livingstone wanted to bring Marceca back for another tour in 1994, but the proposal was rejected, in part because of adverse infor-

mation from his FBI background investigation.

Hatch confirmed that Marceca was asked yesterday if he had looked at his own FBI file while in Livingstone's office. In a deposition filed in a Texas lawsuit last year, Marceca said he sneaked a look at the papers while Livingstone's back was turned. He subsequently filed the lawsuit, accusing two Texas women of defaming him in statements to the FBI.

Marceca began invoking the Fifth Amendment hours after the Texas deposition was disclosed in the Wall Street Journal.

Hatch contends that Marceca waived his privilege by his voluntary testimony last month, but Sen. Patrick J. Leahy (D-Vt.) disagreed yesterday. "Even if prior testimony has been given, a witness cannot be required to repeat testimony that might be harmful or risk further incrimination," Leahy said in a statement.

He recalled that at last year's Ruby Ridge hearings, an FBI sniper asserted his Fifth Amendment privilege without objection by the committee, although he had testified at a criminal trial and given extensive sworn statements to the FBI and the Justice Department.

FOR MORE INFORMATION

For an example of the kind of information in an FBI file, click on the above symbol on the front page of The Post's site on the World Wide Web at <http://www.washingtonpost.com>

THE WASHINGTON POST
FRIDAY, JULY 19, 1996

No problem

After reading stories about how 21 White House aides used drugs such as crack and cocaine before joining the Clintons, we thought it wise to give President Clinton's new drug czar a call to see what he thought.

White House Press Secretary Michael McCurry, who conceded to smoking a few marijuana joints in the 1970s, had already said that no one in the White House has tested positive for drug use since joining the administration.

But we wanted to see if drug czar Barry R. McCaffery felt past drug use by White House aides hurt his invigorated war on drugs.

Initially, his press office told us to call Mr. McCurry, but, of course, we already knew what he thought. Then we received a one-page fax noting that 67 million Americans had tried drugs and stopped.

"In no way should these Americans be precluded from full participation in public service if they have rejected prior experience with drugs or alcohol abuse," the McCaffery statement said.

Cavaller attitude

William Bennett, who served as drug czar in the Bush administration, was appalled by White House Press Secretary Michael McCurry's comment Wednesday that "of course" he smoked marijuana in the 1970s.

"What exactly did Mr. McCurry mean by 'of course'?" Mr. Bennett asked in a press release. "That every young person used drugs in the 1970s? Or that it was no big deal? Why didn't Mr. McCurry show any regret for having used illegal drugs? Mr. McCurry is wrong on all counts — and he should admit that he was wrong."

Revelations of drug use by White House employees, "combined with Mr. McCurry's comments, are, I think, emblematic of the Clinton administration's cavalier and indifferent toward illegal drug use," Mr. Bennett said.

In a very sublime way

Former GOP presidential candidate Steve Forbes met with Bob Dole Tuesday and came away predicting that Mr. Dole will soon propose dramatic tax cuts.

Mr. Dole will call for "tax cuts across the board" by the end of the month, Mr. Forbes said in an interview with the PBS program "Technopolitics." The Dole plan "will be substantive, and I think it

Inside Politics



will be dramatic."

But Mr. Dole will be skewered by the press, Mr. Forbes warned.

"He knows — he's been around awhile — that if he comes out with something as dramatic as this that he's considering, that he's putting together now, he's going to be hit hard by the opposition, he's going to be hit mercilessly by the media, and he'd better be prepared for it."

Mr. Forbes described Mr. Dole as "very determined."

"He seems not only determined, but very, very confident. In a very sublime way, he seems to think that he's going to pull it together."

Status quo

One year ago today, President Clinton offered a cautious defense of racial and sexual preferences. "Mind it, don't end it," the president said in a speech at the National Archives.

Abigail Thernstrom, in a policy brief for the Center for Equal Opportunity, looks back over the past 12 months and concludes: "Rhetoric aside, the Clinton administration seems determined to preserve essentially all racial preference programs within its reach. That has become clear in the year since his National Archives address."

Miss Thernstrom, author and senior fellow at the Manhattan Institute, said: "The Supreme Court and the Department of Justice are, in effect, at war," with the department acting much like Southern states that tried to evade the high court's school-desegregation order in the 1950s.

The Justice Department "has been engaged in a desperate effort to maintain existing affirmative action policies" and "the Clinton administration has shown no sign of any intention to change the federal government's longstanding commitment to racial preferences, and indeed has

made every effort to maintain the status quo."

Outdoor attack

The Sierra Club, which already is running "issues" ads against 13 Republican House members, has asked the Federal Election Commission if it would be OK for the tax-exempt group to put its "voter guides" on the boob tube.

The new TV ads, planned for the fall, would compare the voting records of the two candidates, disclose the amount of campaign contributions they have received from industries associated with pollution, and urge viewers to vote.

"That appears to stretch the definition of an 'issues ad' that could be paid for with membership dues," the Associated Press reports. "But the ads might qualify if they are regarded as a voter guide."

The organization would like to air the ads in 50 congressional districts — pummeling Republicans, no doubt.

Reefer Man

Butt Man, the Democrats' 7-foot cigarette character who shows up at Bob Dole's campaign events, now has a new smoking buddy — Reefer Man.

Well, OK, they probably aren't friends, considering that Reefer Man is a Republican effort to mock President Clinton, just as Butt Man is intended to link Mr. Dole to tobacco interests.

Reefer Man, who made his debut Wednesday in Minneapolis, is "a slightly shorter, more stooped version" of Butt Man, the Associated Press reports. The fact that he appeared at a Dole campaign event indicates that Reefer Man's assignment, at least for now, is to dog Butt Man rather than the president.

Minnesota GOP Chairman Chris Georgakas heralded Reefer Man as a symbol of "the failures

of the Clinton administration and state Democrats to address the explosion of illicit drug use ... and to their alleged tolerance of drug use by administration staffers."

In the spotlight

Phone calls are relentless at the governor's mansion in Harrisburg, Pa., now that Gov. Tom Ridge is being considered for the GOP vice-presidential nomination.

The callers are reporters mostly, trying to find out more about Mr. Ridge and his politics.

"I did an interview last night in my bed in my underwear with the lights off," press secretary Tim Reeves told the Philadelphia Inquirer.

In the past couple of weeks, the administration's communications office has fielded more than 200 calls dealing with the vice presidency. On Tuesday, 15 callers jangled the lines before 9:30 a.m. By the end of the day, the tally was 46, said reporter Russell E. Eshelman Jr.

Mrs. Doubtfire

Will comedian and actor Robin Williams speak at the Democratic convention? Chicago Tribune columnist Judy Hevrdejs and Mike Conklin say the answer is no, despite reports to the contrary.

A source told the columnist that during a conversation with Mr. Williams, the comedian said: "I did this high-roller benefit in Washington. That night, some guy said, 'You want to do the Democratic convention?' I said no, not a chance. I don't want to be under that pressure."

Mr. Williams supposedly said he would prefer to be "in the smoking section with [Bob] Dole."

Birthday boy

Speaking of Robin Williams, the comedian is scheduled to be emcee of a huge birthday bash for President Clinton next month, New York Post columnist Neal Travis reports.

The Democratic National Committee "is taking over Radio City Music Hall" in New York for the televised gala on Aug. 18, the night before Mr. Clinton turns 50.

"It was probably only a joke, but someone suggested having the birthday bash a week earlier to draw attention away from the GOP convention in San Diego," Mr. Travis said. "Then they supposedly decided it would be more politically advantageous to let the nation see the Republicans bawling over abortion."

THE WHITE HOUSE
WASHINGTON

SQ, KW

Do you think this
is responsive?

It is not a
"memo," which KW
I like to limit the
request to internal
documents. Agree? JR

THE WHITE HOUSE
WASHINGTON

June 24, 1996

TO: All Staff of the White House and Office of
Administration

FROM: Jane Sherburne *JS*
Special Counsel to the President

Wendy S. White
Associate Counsel to the President

RE: Document Requests from House Committee on Government
Reform and Oversight dated June 21, 1996.

We have received the following request for documents from the House Committee on Government Reform and Oversight:

"All memos to and/or from Craig Livingstone, Anthony Marceca, William Kennedy, Bernard Nussbaum, Vincent Foster, Joel Klein, Lloyd Cutler, Abner Mikva, John M. Quinn, Jane Sherburne, Beth Nolan, Cliff Mauton, Christopher Cerf, Trey Schroeder, Ed Hughes, Jonathan Denbo, Mari Anderson, or Ms. Lisa Wetzel regarding anything having to do with the updating of White House passes, security clearances, FBI background files or any operations of the Office of Personnel Security."

Please search your files for responsive materials. After conducting your search, provide the documents to Wendy White in Room 136 of the Old Executive Office Building as soon as possible. The Committee has asked for a response by the close of business today. While we will advise the Committee that we are unable to meet this deadline, we want to respond as quickly as we can.

Should you have any questions regarding this request, please call Wendy White at 6-7361.

WALKER, ODETTA S.
WHITE HOUSE OFFICE

GENERAL COUNSEL

WH

2FL/WW

THE WHITE HOUSE

WASHINGTON

June 24, 1996

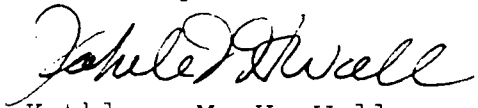
Honorable Jamie Gorelick
Deputy Attorney General
Department of Justice
10th and Constitution Avenue, NW
Washington, DC 20530

Dear Jamie:

The White House received the enclosed correspondence concerning Marin v. Livingston.

We are forwarding this correspondence to you for any appropriate action.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kathleen M. H. Wallman".

Kathleen M. H. Wallman
Deputy Counsel to the President

1730 K. St. N.W. #304
Washington, D.C. 20006
June 19, 1996

BY U.S. CERTIFIED MAIL P 373 862 560

Note: Ten-Day Deadline

Honorable Jack Quinn
White House Counsel
Washington, D.C. 20500

RE: Request for Your Assistance / Marin v. Livingston 95-2175

Dear Mr. Quinn:

I expect to file the attached draft but have not yet done so.

I have taken out some specificity as AUSA Julian Cook suggested today, but I have only ten days to amend with a version like this and/or seek deposition.

I realize Bruce relays the decisions of the President and you have basically no authority to do anything; but I send this to you because Bruce will be a little busy managing indictment history in the next weeks, in the event you feel assertive enough to bring this up with the President yourself in a pro-forma meeting. As you can see from the papers, I make it clear that I, not the President, am making the requests to seal. If you can think of any better way to handle this without making it appear that you jump to settle, let me know (through AUSA Julian Cook) so I can do it. Otherwise I will proceed in the least damaging way I can think of and try to get unfortunate detail in as sealed a format as I can while I litigate.

Sincerely,

Mel Marin

Mel M. Marin
(800) 219-3655

1730 K. St. N.W. #304
Washington, D.C. 20006
June 19, 1996

Honorable Bruce Lindsay
White House Counsel
Washington, D.C. 20500

Note: Ten-Day Time Deadline

RE: Renewed Request for Your Assistance / Marin v. Livingston

Dear Bruce:

This is a renewed request that you assist me in resolving problems resulting from Mr. Livingston's excesses involving the policy of improper collection of private information concerning Americans not directly related to the Executive Office matters.

As you know, because I sent to you certified mail correspondence detailing some of the improprieties and because of your role in clearing matters with the President, I gave Mr. Livingston, Mr. Kennedy, you and the President, opportunities to reverse the problems and after I identified the illegal conduct each of you declined to correct it or to stop the policy. There is no honest mistake. Look at my letters. I cited over a year ago the case which gave me standing to seek corrections of retaliation (Doe v. United States Civil Serv. Comm'n, 483 F.Supp. 539 (S.D.N.Y. 1980)), as well as the Privacy Act provisions entitling me to review of my files with several agencies affected by the actions of your offices, including agencies otherwise protected by the National Security Act of 1947 (DIA, CIA, FBI, SS). This is not new and I am saddened that similar allegations are now on TV from independent sources. My certified letters providing details of illegal conduct and admissions by federal actors are dated from 1993 to 1995, and are in your files.

If you will confer with the Attorney General, you will see that I deliberately made very limited reference to improprieties in my federal action to help you. I asked the judge to allow sealing to help you. I asked the AUSA to accept sealing. The judge does not care about the man who appointed him and neither does the AUSA.

He wants me to detail the exact illegality, the names of those federal actors to whom Mr. Livingston admitted the illegality and the President's approval of it. I have done my best to put my clearances together while helping you and I gave you the chance to comply with my requests under the federal statutes, to correct misunderstandings. Hereafter it cannot be my fault that you had the chance to correct mistakes and refused. We are all Democrats here. This is not a good time to pretend the letters I sent you do not exist or to imagine a cover story.

I have ten (10) more days to file the details and/or to ask for discovery in aid of jurisdiction. Here is a draft of detail. I must do one or the other. Please help me do this responsibly.

Sincerely,

Mel M. Marin

cc: Mr. Cook III (AUSA by phone and hand delivery letter only)

Jun 19 2 10 PM '95

P 487 618

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April 1995

Clerk of the Court
United States District Court
Washington, D.C.

RE: Provisional Letters Under Seal / Marin v. U.S. 95-2175 PLF

Dear Clerk:

In accord with Local Rules requiring identification of information to be filed under seal, please submit this to the judge, who indicated in hearing Monday he would likely agree to a limited sealing of matters.

This submission is *provisional*. It includes references to files which the judge will likely be sealing under the National Security Act of 1947 and which the court is required to seal or review only *in camera*. Salisbury v. United States, 690 F.2d 966, 970 [1,2], 973 [7] (D.C. Cir. 1982). If, however, the judge reviews this material and determines not to include it with the group of sealed material, please return it to me without filing.

Sincerely,

Mel M. Marin
Plaintiff

cc: Mr. Cook III
(substance covered by phone and hand delivery today)

Honorable Paul Friedman
United States District Court
Washington, D.C.

P 487 618

US Postal Service

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April 1995 006

RE: Follow-Up On Hearing and Further Request in Next Few Days

Dear Sir:

This confirms your "inclination" on the hearing date of June 17, to rule in my favor on the sealing of the limited issue of matters pertaining to my personnel files in the next few days so I would have that protection before I amend my complaint (after the U.S. Attorney submits his office's "regular" position concerning sealing); and the unlikelihood of agreeing to my wider sealing requests and letting the government take embarrassment.

I wonder if you might make an express ruling in the next few days while you rule on the limited sealing matter, about whether or not I am entitled as a litigant, to sealing of some details of allegations in order to protect myself, because of the serious personal career damage the mere making of the allegations does to plaintiffs as I noted in my citing of protective order cases and Doe v. United States Civil Serv. Comm'n, 483 F.Supp. 539 (S.D.N.Y. 1980) (White House fellowship denial because of leak of unsubstantiated allegation from confidential investigation that applicant was a thief, gave non-employee standing and allowed confidentiality where allegations alone would affect career). Again, I know the government has no right to avoid publicity of embarrassing allegations, but the Doe case suggests I have the right to avoid the damage to myself such allegations will do. You know the damage done to Anita Hill, and I am certain you caught the TV frenzy last night wherein reporters demanded description of criminal acts pointing to only one person who was not Hillary. I described to the AUSAs after hearing Monday details of the policy of systematically violating laws to collect information about Americans not involved, my refusal to do so, and the admissions of executive actors that they knew about the illegality and that it was approved by the one key person in his presence about which the media is now going nuts.

When I amend if I provide details and defendants then fabricate information to defend themselves (as is their record), the Doe/Anita Hill damage can be so severe that I hope you can understand I will not thereafter agree to any settlement at any time because I will have no choice but to depose and gain a clear judgment. Executive actors simply cannot join in this request because they believe they must maintain the pretense that they are sweet and always do nothing wrong and they do not want a sealing request to be seen as a cover-up. I will then be able to file under seal details and alleviate your concern about whether such detail exists in the absence of actually presenting it.

Mel M. Marin

cc: Mr. Cook III (by phone and hand delivery)

SEVENTH CAUSE OF ACTION UNDER

5 U.S.C. SECTIONS 522/522a and 42 U.S.C. SECTION 1983

103. Allegations of paragraphs 1-102 inclusive, are incorporated herein by this reference.

104. Defendant CRAIG LIVINGSTON required of Marin as part of his background information processing in about October 1993 that Marin solicit and acquire improperly from one federal agency private and confidential information about other members of his family.

105. Marin made initial inquiries as directed by LIVINGSTON to acquire the information but then stopped upon speaking with the responsible agency personnel when the agency personnel notified Marin that the request was unethical and possibly illegal, that they had heard the same request from LIVINGSTON before about other persons who were not White House related and determined it was illegal and was sought under false pretenses, and that LIVINGSTON knew it because they told him so.

106. Marin informed LIVINGSTON that Marin had spoken with the Justice Department personnel about acquiring private information about persons related to Marin but not seeking to enter any federal building, and that the personnel had spoken to LIVINGSTON and had told him that any request for files on persons not seeking entrance into the White House was unethical and probably illegal and, therefore, Marin would have to clear

LIVINGSTON'S request with White House Counsel before going back.

107. LIVINGSTON then volunteered that LIVINGSTON was given a free hand here and Marin was not allowed to inform White House Counsel of anything, and Marin informed LIVINGSTON that he (Marin) had been an Army security officer and was well aware of the limits of federal collection on private citizens because Warren Christopher got in trouble for using the military for domestic spying years earlier and there would be no reason for President Clinton to get in trouble because someone who thinks he knows what he is doing has an actual policy of regularly violating the law.

108. LIVINGSTON then volunteered that the President himself knew about it and it was approved.

109. Marin stated he did not believe LIVINGSTON and that Marin had signed a written statement during Presidential Transition promising to inform White House Counsel of any possible illegal act before undertaking it.

110. LIVINGSTON volunteered that he was escorted with senior staff to a talk with the President and was there when the question of these kinds of anything unethical or illegal came up and the President told him he (LIVINGSTON) had a free hand and could use any federal agency and any White House staff to get any information on anyone whether they say it is illegal or not. LIVINGSTON also volunteered that White House Counsel was not there and he (LIVINGSTON) was told he did not need to tell them about these kind of details. LIVINGSTON said the job of White

House Counsel is to look at problem clearances before they reach FBI to make sure nothing damaging is in them and to look at those back from FBI if LIVINGSTON himself decided anything damaging to the President was uncovered, and that was all they could do.

111. During the time of that meeting between LIVINGSTON and Marin, a staffer of LIVINGSTON interrupted to describe openly to LIVINGSTON confidential information from two FBI reports and LIVINGSTON directed the staffer to make a note of the information on a separate paper, and in another case to highlight information to be disclosed to the FBI so it could be changed before submission.

112. Marin informed LIVINGSTON that he needs to talk to Counsel to avoid getting him and the President in serious trouble because security officers cannot go around transferring classified information onto personal note pads and changing material disclosed by applicants on FBI submissions. LIVINGSTON reported again that the President knew and that these were his people they were changing so nobody contradicted anyone.

113. Marin finally told LIVINGSTON that White House Counsel does not work for the President, but for the Office of the President, and Marin had a duty to inform the Office of the President because of an agreement signed, at a minimum of informing them of acts Marin believed to be illegal which LIVINGSTON demanded Marin do; and Marin said he hopes LIVINGSTON works out the rest with the President very soon.

114. LIVINGSTON informed Marin that if Marin told White

House Counsel about anything they had discussed, LIVINGSTON himself would see to it that Marin's clearances were yanked and that Marin would not work anywhere in the federal government again.

115. Marin shortly later informed counsel of the possibly illegal and of the threat, and LIVINGSTON retaliated against Marin as threatened.

116. LIVINGSTON retained the services of an Army security officer who was able to and did, gain access to Marin's personnel records and information from several agencies, and LIVINGSTON directed that individual to assist LIVINGSTON in falsifying information in the federal records in order to damage Marin, defame Marin, and prevent all future employment requiring a security clearance thereafter. LIVINGSTON also caused the block of pending employment efforts for full time paid federal jobs already identified for Marin one of which he would take upon completion of the clearance process.

117. LIVINGSTON'S actions described in paragraph 116 were also assisted by DOES I-V not known at this time because of the concealment of executive federal defendants.

118. In the process of the retribution described above, LIVINGSTON, through Counsel William Kennedy, promised at first to correct his misrepresentations and provide a full remedy and reinstatement of all clearances for Marin and employment for Marin, after successful completion of an initial clearance on Marin ordered by LIVINGSTON by the Secret Service, which would

then be followed immediately by the completed FBI clearance.

119. The investigation by Secret Service was unnecessary and constituted harassment and the private use of the Secret Service as a secret police to identify, investigate, punish by harassment and embarrassment, those who would not participate in unethical and illegal conduct demanded by LIVINGSTON and DOES.

120. However, Marin was informed by Secret Service that their clearance was successful and they had found nothing wrong and nothing to charges LIVINGSTON had made against Marin, had filed their report and presumed the next steps would be taken and all other clearances would continue and be successful.

121. Counsel Kennedy informed Marin that although Kennedy had been nominally removed from his counsel duties for purposes of media and damage control and public consumption, he nevertheless retained his same duties because of his own special relationship with White House principals and he had the same authority over CRAIG LIVINGSTON as before, and on behalf of the Office of the President could and would reopen and reinstate Marin's positions, clearances, and placement back onto priority hiring lists immediately.

122. However, Marin determined by 1995 that LIVINGSTON had created a pattern of using Secret Service as a tool to harass and separate those persons who would not agree to engage in known unethical and criminal conduct, and that Counsel Kennedy had no actual ability to rectify any act taken by LIVINGSTON.

123. Because of LIVINGSTON'S protected status and protected

improper collection of information, Counsel Kennedy was also unable to reinstate Marin's clearances and standing with federal agencies separate from White House requiring clearances, including FBI, DIA, and others, nor to place Marin back on any priority hiring lists.

124. LIVINGSTON was given authority or believed he had authority from his personal observation of presidential actions, to ignore warning and directions from White House Counsel, to use the Secret Service as a secret police tool of harassment and intimidation, to collect personal information about Americans not seeking entry to any federal agency.

125. LIVINGSTON did not have authority and knew he did not have authority, to falsify confidential records of persons who would not cooperate with the improper collections scheme, to defame persons, to gain access to personnel files in White House records or other federal agencies for the purpose of falsifying those records and preventing verification of successful Secret Service and FBI results, and to block this plaintiff and others from federal jobs they were slated for, in retaliation for their refusal to break federal ethics and criminal laws.

126. LIVINGSTON thereby violated Title 5, Section 552a(g) and a(i) by his actions intending to acquire information unethically or illegally, and in punishing Marin for Marin's refusal to comply with an unethical and illegal demands, and in refusing to correct and in refusing to allow White House Counsel to correct these wrongs done to Marin.

127. LIVINGSTON'S retribution against Marin was illegal, unethical, actually unauthorized and improper although taken as a regular policy under color of law, and actually resulted in lost time, reputation, employment and duty.

128. Wherefore, LIVINGSTON is liable personally for, and Marin demands the sum of \$800,000 for the period since November 1993 under 42 U.S.C. Section 1983, and in no event less than actual damages allowed and provided for from violations of 5 U.S.C. Sections 552a(g) and 552a(i) and related provisions.

129. The United States is further liable for the maximum amount as permitted under provisions noted above for failures to correct records and to permit Marin access to his records so that he could identify wrongs. On these basis Marin demands: a) access to, copies and review of every personnel and clearance file held by any federal agency or office; b) correction of such records and files to excise information which may have been placed therein improperly; c) declaratory judgment that the United States may not apply in any negative way against Marin any information therein which is incorrect or which makes any adverse conclusion about Marin's inability to gain employment and meet and resolve responsibilities during the period 1993 to the conclusion of this action; d) reinstatement of Marin to his prior positions and priority on hiring lists; e) identification and approval of a federal position commensurate with employment and duty he could or would have taken in order to make up for the loss of three years and the loss of seniority of those three

years, but for the defamation and other acts of LIVINGSTON as described above and the failure and refusal of the United States to correct.

130. Jury trial is requested for all claims.

DATE: 19 June 1996

Melvin M. Marin
Box 75485
Washington, D.C. 20013

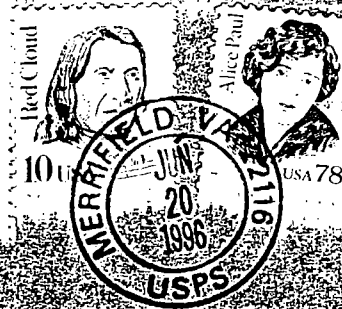
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Jack Quinn
W. H. Counsel
White House
Washington D.C. 20500

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Segment # 2 : GOP Grills FBI General Counsel Over FBI Files

LINDA WERTHEIMER, Host: This is All Things Considered; I'm Linda Wertheimer.

NOAH ADAMS, Host: And I'm Noah Adams.

Republican lawmakers grilled FBI general counsel Howard Shapiro today over his decision to alert the Clinton administration to potentially damaging information contained in a confidential FBI memo. The note by a former FBI agent links first lady Hillary Rodham Clinton with the hiring of White House aide Craig Livingstone. Livingstone resigned under fire when it came out that his office had obtained more than 900 FBI files, some of them of Republicans who were prominent. GOP lawmakers also accuse Shapiro of trying to intimidate the former FBI agent, but Shapiro denies the charge.

NPR's Chitra Ragavan reports.

CHITRA RAGAVAN, Reporter: Republican members of the House Government Reform and Oversight Committee want to know who hired Craig Livingstone. They haven't gotten a clear answer from the administration. But last week the committee's chairman, Congressman William Clinger of Pennsylvania, said FBI Director Louis Freeh told him he could review Livingstone's FBI file. In it was a clue, a report by an FBI agent who said White House counsel Bernard Nussbaum told him in 1993 that Livingstone owed his job to first lady Hillary Rodham Clinton. Congressman Clinger-

Rep. WILLIAM CLINGER (R-PA), Chairman, House Government Reform and Oversight Committee: Apparently, in preparation for this anticipated review of Mr. Livingstone's file, the FBI reviewed the file and came upon the interview notes which state that Mr. Nussbaum claimed that Craig Livingstone came 'highly recommended by the first lady, Hillary Clinton.' FBI general counsel Shapiro was informed of this information, and shortly thereafter, we understand, gave the White House a heads-up, reading the notes verbatim over the phone to deputy White

House counsel Kathleen Waldman.

CHITRA RAGAVAN: In fact, Clinger said today that Shapiro had alerted Waldman even before Clinger's own counsel could see the file. He says Waldman off a frenzy of phone calls to more than a dozen administration officials, who vociferously denied that the first lady was involved in Livingstone's hiring. Nussbaum has also denied making the remark to the FBI agent.

Today, Shapiro told members of the committee that the agent who says he interviewed Nussbaum, Dennis Scalabrini [sp], now says he doesn't remember the conversation. But Congressman Clinger questioned why Shapiro sent two FBI agents to interview Dennis Scalabrini in the first place, and he says he's very concerned about the FBI's whole involvement in White House matters.

Rep. WILLIAM CLINGER: Why, after the attorney general had clearly stated that these matters would be handled by the independent counsel because they presented a conflict of interest for the Justice Department and the FBI, did Mr. Shapiro take this - I can only characterize it - disturbing action?

CHITRA RAGAVAN: Shapiro told the committee today that he did so purely out of fairness, and he said he did not intend to interfere with the investigation or help the White House with damage control.

HOWARD SHAPIRO, FBI General Counsel: When I notified the White House counsel's office, no one there was given access to any documents. The counsel's office was advised about the substance of one paragraph and read the text of a single sentence on an issue that had already been widely discussed in the media. The file itself was only made available to Chairman Clinger and a member of his majority staff.

CHITRA RAGAVAN: And, Shapiro said, his decision to send agents to Scalabrini's house was solely to check the accuracy of Scalabrini's report because Shapiro says it was undated, uninitialed and unsigned and written on plain paper.

HOWARD SHAPIRO: The purpose of this interview was strictly and entirely for internal FBI reasons, and neither the Department of Justice nor the White House was either notified of it nor given the results of it. It had no partisan or ulterior motive, and it was not part of any investigation of the White House files controversy, criminal or otherwise. Moreover, it was not, as some have suggested, to intimidate Agent Scalabrini.

CHITRA RAGAVAN: Democrats said at today's hearing

ing that Republicans were digging another dry hole for purely partisan reasons, and they demanded that Republicans bring Scalabrini to testify. Republicans said they would take it under advisement.

I'm Chitra Ragavan in Washington.

[This program has been professionally transcribed by Journal Graphics. JG has used its best efforts to assure the transcript accurately reflects NPR's original broadcast, but makes no guarantees or representations that the transcription is identical to the original NPR broadcast. The official record of an NPR broadcast is the audio tape of the original broadcast.]

Segment # 3 : Rockwell Plans to Sell Defense Business to Boeing

LINDA WERTHEIMER, Host: Another big merger is to take place in the defense industry. California-based Rockwell International, the maker of the B-1 bomber and the Minuteman missile, said today it plans to sell its defense and aerospace units to Boeing in a deal worth \$3.2 billion. Rockwell has long been one of the nation's largest defense companies, but with military budgets shrinking around the world, the company has been eager to establish a new identity for itself.

NPR's Jim Zarroli reports.

JIM ZARROLI, Reporter: Under the deal announced today, Boeing will give Rockwell \$880 million worth of its own stock and will also take on much of the company's debt and pension liabilities. In exchange, Boeing will acquire most of Rockwell's space and defense operations, units that produce everything from intercontinental and tactical missiles to the main engines for the space shuttle. When these units are added to the military and space operations Boeing already has, it will become the world's third-largest defense company. The deal will also greatly enhance its position as a supplier for the nation's space program.

Boeing Chairman Phil Condit spoke to reporters today.

PHIL CONDIT, Boeing Chairman: Well, this is one of those truly positive kind of announcements. The

deal we've announced today is positive from Boeing's standpoint, it's positive from Rockwell's standpoint, and I believe it's positive from the nation's standpoint.

JIM ZARROLI: This is only the latest in a series of big defense-company mergers. Analysts say the post-Cold War decline in military budgets has sharply reduced prospects for growth in the industry. To survive, many big defense companies are venturing into new businesses or consolidating, largely with the blessing of the federal government.

Although Seattle-based Boeing is primarily known as a manufacturer of commercial aircraft, it has made no secret of the fact that it wants to remain a fully integrated player in defense as well. Analysts say that major deals such as last year's merger of Lockheed and Martin Marietta have put pressure on Boeing to seek out partners as well and that was why it decided to make the acquisition announced today.

Rockwell has taken an opposite approach. As recently as a decade ago, the company earned some two-thirds of its revenues from space and defense contracts. But over the past few years, Chairman Don Beall has been changing the company's focus, and it now makes much of its money from products ranging from semiconductors to automobile navigation systems.

Investment Banker John Kutler is president of Quarterdeck Investment Partners, which tracks the defense industry.

JOHN KUTLER, President, Quarterdeck Investment Partners: Defense is no longer a growth area, or at least the perception is on Wall Street, and some of the other areas he is in are growth areas. And so, by positioning the company as a commercial electronics company, as opposed to defense contractor, he hopes to garner a significant increase in the market value of Rockwell and, therefore, to the benefit of Rockwell shareholders.

JIM ZARROLI: The deal with Boeing will leave Rockwell virtually debt-free, and company officials said today that will enable them to make major new investments in electronics, which should help the company strengthen its new identity. They also said they expect the acquisition to take place by November. Although the deal must be approved by company shareholders and government regulators, officials of the two companies said today they are expecting it to encounter no problems. Boeing also said it expects the deal to go through without any layoffs.

file: FBI file
matter

RUSH to
D. Fair
pls call me
cc KCW

June 27, 1996

The Honorable William F. Clinger
Chairman
Committee on Government Reform and Oversight
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

After a thorough review of the Privacy Act and receiving the necessary waivers from White House Counsel, both of which were unavailable to me during the hearing yesterday, I now believe it appropriate to answer the question posed by Congressman Robert Ehrlich that called on me to provide confidential personnel information relating to Mr. Livingstone. I would request that my answer be treated confidentially and taken as if provided in executive session in accordance with House Rule XI clause 2 (k) (5).

Because I am uncertain as to the precise question posed and do not have a transcript available, I would comment that as soon as I receive the question by in writing, I shall respond immediately by sworn affidavit.

Sincerely,

William H. Kennedy III

cc: The Honorable Cardiss Collins

Jack - This is -
draft letter that
Kennedy's lawyers
propose to send to
the Committee unless
we advise a contrary
legal position. I think
we ought to have OLC
give some guidance. How

do
you
want
to
proceed
John

FBI file

THE WHITE HOUSE
WASHINGTON

June 12, 1996

BY TELECOPY

Ms. Barbara Comstock, Investigator
House Committee on Government
Reform and Oversight
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Barbara:

At your request, I am sending you the July 7, 1993 memorandum from Nancy Gemmell to William Kennedy. We will forward the attachments to the memorandum when we have had the opportunity to redact them appropriately.

Sincerely yours,

Jane Sherburne
Jane C. Sherburne
Special Counsel to the President

Encl.

cc: Don Goldberg

THE WHITE HOUSE

(SECOND REVISION)

WASHINGTON

July 07, 1993

MEMORANDUM FOR: WILLIAM H. KENNEDY III
THRU: CRAIG LIVINGSTONE
FROM: NANCY GEMMELL
SUBJECT: Requests for Release or Review
of Background Investigations

Following are the basic guidelines previously used when considering release or review of background investigations to another government agency or department:

-Re Presidential Appointees:

A presidential appointee (PAS) must be confirmed by the Senate and appointed by the President before the background investigation is made available for REVIEW ONLY to the appropriate government agency or department. EXCEPTIONS: BI is releasible to State Department and to Justice thru the FBI. Please note TAB A.

A presidential appointee (PA) must be appointed by the President before the background investigation is made available for REVIEW ONLY to the appropriate government agency or department. EXCEPTIONS: BI is releasible to State Department and to Justice thru the FBI. Please note TAB A.

If a presidential nominee is already working in the position for which he has been nominated and requires security clearances to be granted to perform his work, Counsel considers the merits of each request for early review of background investigation on a case by case basis.

-Re Staff Applicants:

If a White House staff member is detailed to the White House from another government agency or department, the staff member's file must totally be completed before review is allowed. Example: The background investigation must be complete and adjudicated by counsel if necessary; the IRS investigation complete and any problems addressed to satisfaction of counsel; and if applicable, financials must have been received and signed off by counsel. Even if the BI is complete, if other components are not, we do not consider the investigation ready for review.

To set an appointment for review, a letter must be received from the respective government agency or department officially requesting review of BI. At time of review, the reviewer must show his or her credentials and sign a security pledge provided by Counsel's Office.

If a staff member leaves the White House and goes to another government agency or department, once confirmation has been received that said staff member has departed and that said individual is not being considered for a presidential appointment, the individual's background investigation may be released to the appropriate government agency or department. The physical release of the background investigation is done by the FBI. A letter requesting the release of the BI is to be dispatched from the appropriate government agency to us.

Steps: 1) We receive letter from appropriate government agency or department requesting release of BI;

2) If BI is determined to be releasible; above mentioned letter is stamped,

~~AUTHORIZATION TO RELEASE~~

~~signature and forwarded to the FBI for handling;~~

3) When said BI is released by the FBI, the Bureau returns to us a copy of the letter we dispatched to them stating the date the information was released to said agency and exactly what material was released to them. Please note: We do not release material to another government agency or department if we do not have same material in our files.

-Exceptions:

At present if a staff member is detailed to us from the Department of State, his or her BI is releasible to State Department as long as detailee is on State Department payroll. This is a decision made previously by counsel.

Also, if a staff member is detailed to us from Department of Justice, again his or her BI has previously been releasible to Department of Justice.

Also, if an AT&T or C&P telephone company employee does some work at the Defense Department as well as here, since said employee is with private industry, BI has previously been made releasible to the Department of Defense on a case by case basis.

-Forms:

Attached are copies of two forms used to determine staff member's status:

- The first form is sent to USSS, Room 23 OEOP, to determine if individual is still a current passholder;
 - The second form is sent to the FBI Spin Unit to determine if individual has ever had a background investigation and, if so, was he or she processed as a presidential or staff case. Normally, we would have the background investigation information in our files. However, at present we do not since all previous security files departed the White House prior to January 20, 1993. Therefore, in the future it would not be necessary to send the attached form to the FBI once files are reestablished.
 - When the information is returned from the USSS and from the FBI, and BI is deemed releasable the appropriate letter is dispatched to the FBI, retaining a suspense copy here for followup if necessary as well as documenting our files.
 - If it is determined that the BI is NOT releasable but for REVIEW ONLY, a call is made to the appropriate government agency or department scheduling the review.
 - If the BI is not yet ready for review, a call is made to the appropriate office advising said BI is not yet available for review but that a "flag" has been placed in the individual's file and that a followup call will be made when BI is available.
- Additional Possibilities:

- Requests received to review BIs for contact purposes (usually received from the CIA) are automatically referred to Counsel for decision.
- Also, requests received to review BIs of spouses in connection with investigation of subject are automatically referred to Counsel for decision.

Basic guideline that we have previously followed is that release or review of BI should be for clearance purposes for subject of the background investigation.

-New Requests:

As promised I have also attached the four new requests received for action. With the exception of Mr. Catlett, I would be happy to process the other three requests for you if you would like.

Thank you.

(Attachments:

-2 Forms

-4 Letters of Request)

NAME

PERM PASS HOLDER
(YES OR NO-Y OR N)

CURRENT OR DE-
ACTIVATED C OR D

NAME

TYPE AND DATE OF INVESTIGATION(S) PROCESSED AS STAFF (S) OR
AS PRESIDENTIAL (P)

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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

MARK R. DISLER, Chief Counsel
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CYNTHIA C. HOGAN, Minority Chief Counsel
KAREN A. ROBB, Minority Staff Director

June 13, 1996

The Honorable Leon Panetta
Chief of Staff to the President
The White House
Washington, D.C. 20500

Dear Mr. Panetta:

I have several questions concerning the White House's acquisition of various FBI files, such as those of Billy Dale, as well as at least 330 other individuals, including persons who worked at the White House under Republican Administrations who no longer had access to the White House. I would appreciate your prompt response to these questions:

1. Please list the names and titles of those persons who had the authority, in December 1993, to send a memorandum under Bernard Nussbaum's name to the FBI requesting the FBI to send its background files to the White House.
2. Please provide a copy of the December 20, 1993 memorandum on White House stationery to the FBI requesting background files on Mr. Billy Dale.
3. A. Who caused this memorandum to be sent to the FBI and for what purpose(s)?

B. Did anyone direct, request, or otherwise cause such individual to send the memorandum to the FBI, and if so, please identify any such person by name and title.

C. Who is the person referenced in paragraph 4 of the June 9, 1996 declaration of Anthony Marceca (enclosed)?
4. A. When were the FBI files on Mr. Dale received by the White House?

B. Who at the White House received the FBI files on Mr. Dale?

C. Where have the FBI files on Mr. Dale been stored since their arrival at the White House?

D. Who had access to the FBI files on Mr. Dale at the White House since their arrival at the White House?

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- E. Did everyone who had access to the FBI files on Mr. Dale have to "sign out" the files when viewing them?
- F. Did anyone at the White House review the FBI files on Mr. Dale, and, if so, please identify any such person by name and title.
- G. Did any such person provide information from these files to other persons, and, if so, please identify any such other person by name and title.
5. A. Please identify by name and title any person(s) who directed the initiation of "Project Update," referenced in paragraph 3 of the June 9, 1996, declaration of Anthony Marceca, and identify by name and title all persons who participated in "Project Update."
- B. Did Mr. Marceca request files from the FBI on individuals not included in "Project Update?"
6. In updating security files at the White House for purposes of continuing to grant access to the White House, is it routine for the White House to request all of the FBI files on each individual, regardless of how far back in time the date of the file?
7. With respect to the requests for the FBI files for at least 330 individuals based on, according to news accounts, outdated lists of White House pass holders provided by the Secret Service:
- A. Please provide a copy of the lists upon which these request were made.
- B. Please identify by name and title the person or persons who sent the requests for FBI files, based on these lists, from the White House to the FBI.
- C. Please identify by name and title those persons in the chain of custody who provided the lists to the person(s) who sent the requests for files to the FBI.
- D. Please identify by name and title anyone who reviewed any of these FBI files after their delivery to the White House, and the date of such

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review.

E. Please identify by name and title anyone who was provided information based on any of these FBI files, and the name and title of anyone who provided such information to such individual(s).

F. Please identify by name and title the person(s) who discovered the error of relying on the lists from which these requests to the FBI were made.

G. On what date was the error of relying on these lists discovered?

H. Upon discovery of the error, what action(s) were taken and on what date(s)?

I. Upon discovery of the error, why weren't the files immediately returned to the FBI?

J. Please identify by name and title the individual who halted the requests for FBI background files based upon the list reportedly provided by the Secret Service.

7. A. Why did Ms. Beth Nolan, of the White House Counsel's office, send a memorandum dated August 19, 1993 to the Department of Justice inquiring as to whether the White House Counsel could release information from FBI background checks on the seven White House Travel office employees fired on May 19, 1993?

B. Did the White House receive any oral or written response to this memorandum? If so, please identify by name and title anyone who provided such a response, the date of such response, and any written record of such response.

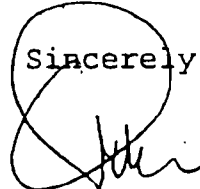
C. Was any information from FBI files on these seven employees disseminated by anyone in the White House?

8. Has the White House requested FBI files on any member of Congress or any person employed by Congress, other than in connection with an employment related security clearance check or a background review for purposes of possible employment within the Executive Branch, or appointment to the Judicial Branch?

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9. Please provide a copy of all White House Counsel policies or guidelines on contacts between the White House and the FBI.

Sincerely,

A handwritten signature in dark ink, appearing to be "Orrin", written over a circular scribble.

Orrin G. Hatch
Chairman

OGH:mda