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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bob Nash to POTUS re: Weekly Report [partial] (1 page)	02/02/1998	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Too Late to Process
OA/Box Number: 22057

FOLDER TITLE:

Sensitive-Personnel-Related [1]

2019-0990-S
rs3475

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE
WASHINGTON

Re 11/9

Need to consider
Jen Hay for Amban.
or other apt -

B.

THE WHITE HOUSE
WASHINGTON

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See Mr. M:

Jack Wilson
GSA, UH

Big potential
prob acc to
John Boardman
if he's let go —

Ba.

Pres. here
acc. to Ba

THE WHITE HOUSE
WASHINGTON

Cory
Miss Fore

St. Louis
Don't play in the trash
— —

JOHN PAYTON-CIVIL RIGHTS DIVISION

Question and Answer

Q: Do you intend to nominate John Payton to be Assistant Attorney General in charge of the Civil Rights Division?

A: Mr. Payton is the leading person under consideration for that position.

He has a strong civil rights record and has an outstanding reputation as a partner in a leading Washington law firm and as Corporation counsel for the District of Columbia. His outstanding reputation and civil rights record is the reason for the firm support of the civil rights community.

He is going through the usual process to ensure that we have a strong head of the Civil Rights Division with support from the community.

HALPERIN

- RECORD has been distorted.
- Look forward to hearing - so real record will be set.

HEALTH CARE

o Our national goal is health security -- every American guaranteed comprehensive health benefits that can never be taken away. The President has made clear he will sign only a bill that would guarantee universal coverage and comprehensive benefits.

- A system that leaves millions without adequate care and without security is wrong.
- Long-term savings are possible only with universal coverage.
 - > Without universal coverage, too many Americans will continue to get care from costly emergency rooms;
 - > Savings from simplifying and reducing the bureaucracy will not be realized unless everyone is in the same system.
 - > Cost-shifting will continue.

o The President's plan is the only plan that guarantees every single American a comprehensive set of benefits that can never be taken away without creating a government run system.

- Health care reform must include universal coverage -- that is not negotiable.
- The Chafee-Dole and the single payor proposals include the goal of universal coverage. That's why we believe they are closer to the President's plan than others that have been offered.

o There are many aspects of other proposals that we support because they reflect a commitment to the principles of the President's plan: security, savings, choice, simplicity, competition, quality, and responsibility.

-- The Cooper-Breaux plan, for example, encourages competition, by using market forces to control costs, promote efficiency, and reduce waste. And, we share its support for increased cost-consciousness. But, it does not guarantee universal coverage.

-- The Gramm-McCain plan, for example, relies on consumers to make informed choices and it asks consumers to share responsibility for their health care costs. So does the President's plan. But Gramm-McCain does not guarantee universal coverage and in fact, encourages bare-bones packages and leaves insurance companies in the driver's seat, able to increase rates if you get sick or have a pre-existing condition.

o We remain committed to a bipartisan solution -- this is about health security, not about politics.

-- We want to work with Congressman Cooper and Sen. Breaux and with Sen. Chafee and Sen. Dole and with other members, Democrats and Republicans. We are committed to building a bipartisan consensus around health reform that will guarantee every American a comprehensive package of benefits that can never be taken away.

Qs/As

Q: Mrs. Clinton yesterday was very critical of Rep. Cooper's and Sen. Breaux's health care proposal. Why go after Cooper/Breaux so aggressively when it appears to have so much support in Congress?

A: Mrs. Clinton was reinforcing the point the President made when he transmitted his bill to Congress: President Clinton will sign only a bill that will guarantee every American comprehensive benefits that can never be taken away. The President believes universal coverage is absolutely essential -- it must be the cornerstone of any health care reform plan.

There are many things we agree with in the Cooper-Breaux proposal -- we believe community rating returns insurance to a community responsibility, not an exercise in profit-making and risk avoidance. Like Cooper-Breaux, we believe an increased emphasis on competition will promote efficiency, reduce waste, and lower costs. And, we believe increased cost-consciousness is an important aspect of health care reform and a necessary ingredient for cost-control.

But, Cooper-Breaux will not provide health security for all Americans. It does not guarantee universal coverage. The Chafee-Dole and single payor plans have universal coverage as their goal. That's why Mrs. Clinton said and we believe that they are closer to the President's plan.

This isn't about attacking one plan more than another -- it's about making clear what is important to the President and the commitment he's made to the American people to guarantee every American comprehensive health care benefits they can never lose.

Q: Are you writing-off the Cooper-Breaux proposal as Congressman Cooper cautions against?

A: We're not writing off any proposal -- we are writing in *indelible* ink a commitment to real health security: an iron-clad guarantee of comprehensive benefits for every American, benefits they can never lose. That is the point on which the President will not negotiate. The principles of the President's plan must be intact: security, simplicity, choice, quality, savings, responsibility.

Q: Is this part of a new assault by Mrs. Clinton and the Administration to attack your competition?

A: The President and Mrs. Clinton are more interested in talking to the American people about the President's plan. We want the American people to get the facts and learn about our plan, to read the book. That's why the President and Mrs. Clinton were in Pennsylvania last week and why Mrs. Clinton since then has visited West Virginia, Upstate New York, and today, New York City, to deliver the book to local libraries. The more people know about the plan, the more they support it. We want people to learn about the plan. Where and when it's necessary, we'll point out the distortions others make, but we want people to learn about the President's plan and learn about the other plans. We want them to ask questions and make comparisons. But our job is to make sure they know about the President's plan.

TO: Mr. David Gergen
FR: Christine Heenan
RE: Clarification of Congressman Cooper's bill

The attached AP story of 11/08 by Chris Connell reports that the First Lady criticized Congressman Cooper's bill, "saying it would not cover everyone and would take tax breaks away from those who did not buy the lowest-priced insurance plan."

While Congressman Cooper goes on to dispute this charge-- saying his bill would "trim the corporate tax deduction back a little bit" but not raise taxes on individuals-- this is a fair criticism and an accurate reflection of their legislation.

The Cooper bill changes the tax code related to the tax deductibility of employer contributions to health insurance for their workers. Under this plan, employers can no longer fully deduct all health care costs, they can only deduct the value of the lowest-priced plan in their area.

For many companies, that would result in an increase in corporate taxes. For companies that now provide generous benefits in a fee-for-service plan, the increase could be significant.

Finally, since the Cooper bill does not spell out what benefits would be covered, the impact of the "tax cap" could be greater than expected if the benefits package the Commission devises is less generous than the legislation implies.

HEALTH SECURITY

1. **WHY UNIVERSAL COVERAGE IS IMPORTANT :** Your most important goal is to deepen the 'line-in-the-sand' you established by vowing to sign only a bill that would provide universal coverage and comprehensive benefits. That means making a moral argument as well as the jobs and cost arguments for universal coverage.
2. **READ THE BOOK:** Amplify the message you delivered earlier this week, and strongly encourage the American people to learn about the plan and recognize what it will mean to them. Of specific interest here are the premium costs and the analysis on how much more or less consumers will pay.
3. **HEALTH INSURANCE ASSOCIATION OF AMERICA:** Without being defensive, continue to expose HIAA motivations in opposing the plan.

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1. **WHY UNIVERSAL COVERAGE IS IMPORTANT**

HEALTH SECURITY

-- Real health security means comprehensive health benefits guaranteed for every American that can never be taken away and that's possible only with universal coverage. We cannot continue with a system that leaves millions without adequate care and without security. That's wrong. It's time the American people no longer had to live with the fear that they could lose their health insurance at any time, that they won't be able to get health care when they or their children need it, that if they lose their jobs, they lose their health care.

JOBS

-- With American workers changing jobs so often they'll hold an average of eight jobs in a lifetime, we need universal coverage to make sure no one will ever lose their health insurance.

COST

-- Without universal coverage, too many will continue to get care from emergency rooms instead of doctor's offices -- they've waited too long, their illnesses are more severe, and the costs are too expensive. Today, each of us pays part of the \$25 billion health care bill for the uninsured.

-- Newly available health insurance benefits at low wage jobs will encourage people to move from welfare to work. One study suggests that universal coverage could reduce welfare caseloads by up to 25 percent.

-- Savings from simplifying and reducing the bureaucracy can't be realized without universal coverage. For example, a single claims form doesn't work unless everyone is in the system and following the same rules.

(NOTE: In Congressional context, the Chafee-Dole bill and single payor are the only ones that would provide universal coverage. Chafee-Dole is closest to our proposal. Cooper-Breaux-Graham belong on the margins.)

2. READ THE BOOK

> **Get the facts. Learn about our plan. Read the book.** It deals with nothing less than overhauling the system we all must depend on when we are most vulnerable, when we or our loved ones are sick. For that reason alone, it may be the most important book of information you'll read for yourself, your children, and others you care about. Understand what it will mean for you and your family -- comprehensive benefits you can never lose, premiums you can afford. The more people know about our plan, the more they support it.

> **Study the figures** -- for a two parent family with children, premiums will average about \$73/month, with a maximum deductible of \$400. For an individual, premiums will average about \$32/month. Reasonable prices considering today's constantly rising costs.

> We've examined the impact this plan will have, including premium costs and out-of-pocket expenses such as co-payments and deductibles. **Seven out of ten Americans will pay the same or less for benefits that are the same or better, with savings averaging about \$61 a month. Three of ten will pay more, on average about \$24 a month, but they'll receive benefits that can never be taken away and many will receive better benefits, such as preventive care.** Let's be clear, without reform, every American can expect to pay higher insurance premiums and higher health care bills with no guarantee of security, no guarantee of benefits, and no guarantee that their health insurance will be there when they need it.

3. HEALTH INSURANCE ASSOCIATION OF AMERICA

> **Learn the truth.** Recognize the distortions the special interests are putting into the debate. And understand what's motivating those special interests, like the Health Insurance Association of America.

> **The facts:** My plan would provide every American with health benefits they could never lose; with a choice of plans and the freedom to choose their own doctor. It would put an end to lifetime limits, the practice insurance companies have of limiting benefits just when you need them most. And, it includes new prescription drug and long-term care benefits for seniors.

> **The insurance companies don't like the plan** because it makes it illegal for them to indiscriminately raise rates, illegal for them to deny you coverage because of a pre-existing condition; illegal for them to drop your coverage because you get sick; illegal for them to put a limit on the benefits you could receive, taking away coverage when you need it most. They've forgotten why insurance companies were created in the first place and they've abandoned the old-fashioned principle that was at the industry's foundation: insurance is about sharing risk and about everyone taking responsibility.

HEALTH CARE COSTS

Let us be clear: **without reform, every American can expect to pay higher insurance premiums and higher health care bills** with no guarantee of security, no guarantee of benefits, and no guarantee that their health insurance will be there when they need it. The President's plan provides every American peace of mind and the security that health care will always be there.

With the President's health security plan, a majority of insured Americans -- seven out of ten -- will pay the same or *less* for benefits that are the same or *better*, including out-of-pocket costs such as co-payments and deductibles, with savings averaging \$61 a month. If you are older, have a family, or if someone in your household has been sick, you are probably among this 70 percent.

About three in ten will pay more, on average about \$24 a month, including co-payments and deductibles, but they'll receive benefits that can never be taken away and many will receive better benefits, such as preventive care.

Yes, under the President's health security plan, health care reform will cost some people more and even more people *less*, but everyone will get something no one has today, the security of knowing health care will be there when you need it.

THE PRESIDENT HAS SEEN 11/10/93

IN THE LOOP

Recycling Begins on Administration Jobs

By Al Kamen
Washington Post Staff Writer

If you haven't gotten a job in the administration by now, your best bet may be to relax and wait for the inevitable round of firings and resignations. (There's a brand new opening at State for a deputy secretary, for example.)

Many of the 390 senior-most jobs in government agencies are not formally filled by confirmed nominees, but only about 45 jobs really are wide open—without at least a likely nominee.

Worse yet, the majority of those 45 openings are in just three places: 10 at the Justice Department, another 10 at the Arms Control and Disarmament Agency (which started hiring late because the agency itself just missed being nuked) and seven at the Defense Department.

The plum categories—820 non-career senior executive service jobs and the 1,600 schedule C political jobs—are about 75 percent full. Only eight ambassadorships are listed as still up for grabs. Eighty of the 93 U.S. attorneys jobs are spoken for, as are 59 of the 95 U.S. marshals slots.

Shelf Life Expires on Agriculture Aspirant

■ One of those who had been penciled in for a job, former University of Wisconsin professor **Luis Sequeira**, has withdrawn his name for assistant secretary of agriculture for science and education.

The White House on Aug. 17 announced its intention to nominate Sequeira, who worked at USDA in the 1980s, but Sequeira, interviewed by the Science & Government Report, said he heard nothing after that except there was "opposition at the level of the White House."

Sequeira, 66, who quit his university job in August and had a plane reservation to come to town after Labor Day, said he had heard that the nomination did not go anywhere because he had crossed swords with Health and Human Services Secretary **Donna E. Shalala** when she ran the university.

Shalala, through a spokesman, said she had nothing whatever to do with Sequeira's job situation.

"When I called [to ask how the nomination was progressing], I got a runaround," Sequeira told the SGR, saying the experience had been "difficult and disappointing."

Unable to find out anything about his nomination and unable to get the customary temporary consulting job at Agriculture to tide him over, Sequeira sent word in early October that he was withdrawing.

Administration officials yesterday said they were puzzled by his withdrawal, given that the processing of his appointment was not taking significantly longer than anyone else's.

Solarz's Passage to India Delayed

■ Meanwhile, former representative **Stephen J. Solarz** (D-N.Y.) says he's still in line to be ambassador to India. Solarz, whose name surfaced in June for the job, has been left dangling while the FBI

checks his background. As other ambassadors picked at the same time as Solarz assumed their posts, hints surfaced that something was seriously amiss.

Not so, Solarz said yesterday upon his return from a trip to Cambodia. No one has officially told him the reason for the delay, he said, but "I'm 99 percent sure now that I know what it is." He declined to elaborate other than to say, "If it is what I believe it is, then I did nothing improper or illegal and, if they give me a chance to come in [and explain], I can knock this one out of the park."

Solarz said he understood why no one would tell him what the problem was. "If maybe they think there was some wrongdoing," telling him would enable him to cover his tracks. "It's a lousy situation to be in," he said.

Showdown Over Peace-Keeping Role

■ The showdown at the Armed Services Committee corral over the nomination of **Morton H. Halperin** to be assistant secretary of defense for democracy and peace keeping, begins Wednesday.

The committee has set a hearing with Halperin for then and another Nov. 23 during which representatives of both sides—who have been busy blasting away at each other on the editorial pages—can do so in person.

Conservatives have elevated the nomination of the former Nixon National Security Council aide and Washington director of the American Civil Liberties Union into an ideological test of wills, contending that Halperin is too liberal for the job. The vote could be close, both sides say, and may come down to how well Halperin does at his hearing in rebutting the conservatives' challenge.

Meanwhile, the White House, after months of deferring to the Defense Department, has stepped back in to push the embattled nomination and organized a series of meetings, including one today, to brief pro-Mort interest groups on the situation.

"Of course we are meeting with people on this," a White House official said. "We obviously support his nomination."

Lowdown on Lawyers

■ **Robert C. Bonner**, former head of the Drug Enforcement Administration and before that a federal judge, is moving back home to join the Los Angeles law firm of Gibson, Dunn & Crutcher, the fifth largest in the country.

Speaking of lawyers, Washington attorney **Vicki Radd** apparently is not going to be counsel to White House chief of staff **Thomas F. "Mack" McLarty**. Latest word is she may be going to work in White House counsel **Bernard W. Nussbaum's** shop.

It's Official

■ Clinton has named **Nan Borton**, senior vice president of Development Alternatives Inc., to head of the Office of Foreign Disaster Assistance at the Agency for International Development and **Ramon E. Daubon**, formerly with the Ford Foundation in Santiago, Chile, to be deputy assistant administrator for Latin America.

PHOTOCOPY
WJC HANDWRITING

Opening 5 statements THE PRESIDENT HAS SEEN
7-8-96 *Transcripts*
9/6/26/96

WHITE HOUSE
SITUATION ROOM

'96 JUN 28 PM 12 43

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: *KDD*
DTG: _____

MESSAGE NO.: *SR342* CLASSIFICATION: *UNCLAS* TOTAL: *35*
(PAGES INCLUDING COVER)
FROM: *Sherbourne* *65116* _____
(NAME) (PHONE NUMBER) (ROOM NO.)
MESSAGE DESCRIPTION: *Opening Statements*

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	PHONE NUMBE
<i>LYON</i>	<i>Harold Ickes</i>		

REMARKS:

STATEMENT OF LISA WETZL

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

JUNE 26, 1996

I was employed at the White House Office of Personnel Security (OPS) beginning in June, 1993 as a White House Intern. In August, 1993, I became a Staff Assistant at OPS, and was promoted to Executive Assistant in the fall of 1994. I left that office in September, 1995 and presently work for the Department of the Army.

All of the staff of the OPS at that time was located in one room in the Old Executive Office Building. Off of that room was a locked door that led into a vault that OPS shared with the Office of Records Management. Others who worked in OPS at the time that I began to work there were Craig Livingstone, Mari Anderson and Nancy Gemmell.

At the start of my time in the OPS, most of our work was focused on the paperwork for full field investigations of new White House employees. This process began with the Secret Service performing an NCIC check, which usually took less than one day. After that check, an employee would be put on a 24-hour access list to the Complex. OPS staff would then request an FBI name check, which was initiated by sending over a preprinted memo to the FBI liaison. The name check took approximately two weeks. When the

name check was favorably returned, the individual was issued a temporary hard pass.

When the name check was complete, OPS sent the same preprinted memo to FBI liaison with a request for a full field investigation. Attached to this form was a Standard Form 86, which had to be completed by the employee. Much of my initial work in the office involved making sure that these forms were filled out correctly. Once the completed forms were sent to the FBI, the results of the full field investigation were sent to an Associate White House Counsel.

Another project that was being undertaken was reconstructing the files of the many holdover employees, detailees, agency representatives, et al., who had access to the White House Complex. These included permanent White House employees and those detailed to the White House from agencies. I was informed that this project was necessary because at the end of every Administration, all of the security files of people with access to the White House Complex are boxed up and sent to the National Archives with Presidential Papers. Therefore, there were no files on holdover employees and there was no way to tell when those employees needed to have the routine update of the FBI background investigation that I understood was required every five years. This undertaking was known as the Update Project.

I became aware of the need to do the Update Project from Nancy Gemmell. Nancy was the only career employee left in the

②

office at that time, since all of the others had retired either at the end of the Bush Administration or a few months thereafter. She was our primary source of information on procedures. Prior to her retirement in August, 1993, I was at a meeting with Nancy and Mari Anderson in which Nancy was giving us as much information as she could about what needed to be done and how it should be done. I do not remember exactly what she said about the Update Project, but I came away with a general understanding of the goals of the Project. I also knew that she had started on the Update Project and that she had left the materials she had been using in the vault.

Nancy retired at about the same time that Tony Marceca's detail began. I did not supervise or work on projects with Tony, but because we were all in one room I had a general understanding of what he was doing. Like the rest of us in the office, I understood that at the start of his detail he was primarily working on the paperwork for FBI full field background investigations of new employees. At some point after he started, I understood that he began to work on the Update Project.

I do not know the details of how Tony was doing the Update Project. I could see, however, that he was using a Secret Service list because of the distinctive green and white computer paper on which those lists are printed. In addition, while I knew these lists were not entirely accurate, they were the only source of

information OPS could work from in trying to determine the names of all of the holdover employees.

Tony left our office in February, 1994. For many months, no substantive work was done on the Update Project. I knew that Tony had left some files he had accumulated in the vault, but I did not look at them (nor was I aware of anyone else looking at them) until I began to work on the project in the late fall of 1994.

When I first picked up the project, I looked at the materials that both Nancy and Tony had gathered in their work on the Update Project. Nancy's materials were in the vault, and they consisted of a Secret Service list and hundreds of completed one-page FBI request forms with Bernard Nussbaum's name on them. These forms were stacked in alphabetical order. When I looked at the Secret Service list she had left, I knew immediately that it was out of date. It was extremely long, and appeared to contain hundreds of names from past administrations. These names were listed in alphabetical order. I do not recall that it had any indication of whether an employee was active or inactive. Although I could not be certain, it looked to me as though Nancy had attempted to complete an FBI request form for each name on the Secret Service list. I determined that these forms and the list had so many out of date names that they would be more work to sort through than to start over from scratch. Therefore, I threw away this list and the forms.

immediately by the sheer number of files. I noted that they were in alphabetical order from A to G, and the files seemed to vastly outnumber the active White House staff whose names would fall in that range. In looking at the labels on the files, I noticed many names that I did not recognize. The first name that jumped out at me was Marlin Fitzwater. I immediately concluded that Tony must have ordered previous reports for every person on whatever out-of-date Secret Service list he was working from.

As I reviewed the names on the labels, I also determined that Tony had accumulated many of the files that I needed. I was exasperated that I would now have to sort through a lot of useless files in order to pull out the ones I needed. At no time was I alarmed by what Tony had done -- I thought he had simply made a mistake that I was going to have to clean up.

The files Tony had left were color-coded with orange labels, which indicated White House staff. I do not recall seeing a Secret Service list in or around these files. However, in the course of assuming the Update Project, I learned that files for several other categories of holdover employees had already been requested, I presume by either Nancy or Tony. These files had already been incorporated into our "working files" of active passholders and, therefore, were not grouped together in separate bins.

Over the next several months, I culled through the files Tony had left. By September, 1995 when I left the OPS, I believe the Update Project was complete. My technique for sorting through Tony's files and for determining what additional previous reports I should order from the FBI was to start with a Secret Service list. The list I used was provided to us by the Secret Service on a monthly basis, but we could ask for updated copies more frequently. I understood that this was the Secret Service's list of active passholders.

It was well known around our office that the Secret Service lists included names of people who no longer had active passes. I would check out each name on the list before ordering a previous report from the FBI by calling the office in the White House where that person supposedly worked. I also asked the supervisors of various offices to write me a list of the holdover employees who worked in those offices. In this fashion, I was able to develop my own list of those who were truly holdover employees.

On many occasions, I would inform the women who worked in the Secret Service office who had provided us with the lists that their lists contained names that should no longer be there, or that persons were listed as working in the wrong office. As time passed, these lists became more up to date.

After determining which of Tony's files I did not need, I put them in boxes to send to the Office of Records Management. Consistent with standard practice, I typed an inventory sheet

inventory sheet with the boxes to Records Management.

In the course of finishing the Update Project, I occasionally discovered that I had sent to Records Management a file for someone who was, in fact, an active employee, detailee, etc. I requested and received these files back from Records Management. I put these files with all of the other files of OPS on active White House employees in the vault.

During the time I worked on the Update Project, I reviewed the contents only of files of employees whose active status I had confirmed. I was not reviewing the files for content, but to determine the date of their last background investigation. At no time did anyone ask me to provide them with a file of any past administration official, and I have no knowledge of anyone in the Clinton Administration using these files for any improper purpose.

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Appearances:

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Staff Present for the Government Reform and Oversight
Committee: Barbara Olson, Chief Investigator; Barbara
Comstock, Special Counsel; Ronald Stroman, Minority Deputy
Staff Director.

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Appearances:

Staff Present for the Government Reform and Oversight
Committee: Barbara Olson, Chief Investigator; Barbara
Comstock, Special Counsel; Ronald Stroman, Minority Deputy
Staff Director.

1 Ms. Olson. We are on the record to get a sworn statement
2 from an individual whose name is Dennis M. Casey, C-A-S-E-Y.
3 Present is myself, Barbara Olson, Barbara Comstock from
4 Majority staff; and present from Minority staff is Ron
5 Stroman.

6 Mr. Casey, at this time, I would ask that the court
7 reporter be allowed to swear you in so that this statement you
8 are about to give is being given under oath with penalty of
9 perjury for any lies or material omissions.
10 THEREUPON.

11 DENNIS M. CASEY,
12 a witness, was called for examination by Counsel, and after
13 having been first duly sworn, was examined and testified as
14 follows:

15 EXAMINATION BY MS. OLSON:

16 Q Would you just state your full name, your company
17 and where you reside?

18 Mr. Stroman. Barbara, before you do that, can I make one
19 thing clear?

20 Ms. Olson. Yes.

21 Mr. Stroman. My understanding is that this is not a
22 deposition consistent with -- or pursuant to an H. Res. 369;
23 that you are -- the testimony -- the witness is here
24 voluntarily and he is going to give a sworn statement.

25 Is that correct?

1 Ms. Olson. That's precisely correct. He is here just to
2 give a sworn statement and state what he knows. I am just
3 going to ask him who he is, where he lives and what company he
4 has.

5 My only other real question is why did he decide to do
6 this.

7 Okay?

8 Mr. Stroman. Okay.

9 BY MS. OLSON:

10 Q If you could give your full name?

11 A My full name is Dennis Michael Casey, C-A-S-E-Y.

12 Q And can you just tell us what you do for a living?

13 A Yes. I own a public relations firm and I function
14 also as a political consultant and a political analyst.

15 Q And where is your public relations firm located?

16 A In Pittsburgh, Pennsylvania.

17 Q And when you function as a political analyst, is
18 that out of your firm?

19 A Yes, it's one of the services we provide through the
20 firm.

21 Q At this time, I would just ask you, do you have a
22 statement to make?

23 A Yes, I do.

24 Q Would you please give that statement?

25 A Yes, ma'am.

12

1 In 1984, I was hired to assist in the Primary Election
2 effort of former United States Senator Gary Hart in
3 Pennsylvania. Specifically, I assisted in scheduling the
4 candidate and directing the political activities in western
5 Pennsylvania. The campaign --

6 Q I don't mean to interrupt you, but you need to go a
7 little slower. Okay.

8 A The campaign used my private office at 1502 East
9 Carson Street on the South Side of Pittsburgh, and an office
10 also existed in the Westin William Penn Hotel in downtown
11 Pittsburgh. My office was for statewide staff and the hotel
12 office was for national staff members.

13 I first came in contact with Craig Livingstone in the
14 William Penn Hotel. A meeting was held because of concern
15 that local and State labor leaders and some prominent public
16 officials were strongly allied behind the candidacy of Walter
17 Mondale.

18 Mr. Livingstone had a legal pad with him and he began to
19 report on some of the peccadilloes and vulnerabilities of
20 these persons in hopes of either neutralizing them or getting
21 their support switched from Mondale to Hart. I do not recall
22 the names of the leaders at this time, but I do recall a
23 number of them were from the Beaver County area of which
24 Mr. Livingstone was a native. I should note, too, that's a
25 strong labor section and a heavy Democratic voter registration

1 area.

2 I was greatly upset with Mr. Livingstone, as I viewed the
3 matters he was reporting as personal matters that would
4 adversely affect the lives and families of these people. I
5 told him that I wanted no such work done in this area and that
6 I felt the mere gathering of this information could harm the
7 efforts of Senator Hart and that any attempt to use the
8 ~~information~~ would cause the labor leaders to support the
9 opponent even more adamantly, in my opinion.

10 Mr. Livingstone disagreed, and I reinforced my direction
11 to him to stop that type of work. He, as I recall, left the
12 room angrily.

13 That evening I met Mr. Marceca, who I understand was a
14 member of the Hart national campaign staff assigned to
15 Pittsburgh. He seemed like an affable man when a group of us
16 were having an after-work cooling-out session at Mario's
17 Restaurant, adjacent to my then office.

18 He talked to me about the worth of Mr. Livingstone's
19 information, and I recall he stated it was time for the Hart
20 campaign to play "hardball" with the dirt Mr. Livingstone had
21 gathered. I stated I would have no part of it and that was
22 not how I viewed the political process as working.

23 The next morning, I came in my office and was informed
24 that Mr. Marceca had been in my office prior to my arrival and
25 had removed money from the petty cash box. I checked the

(14)

1 drawer and \$200 was missing.

2 I tracked him down through telephone calls and whatnot,
3 and he apologized, but he said that he needed the funds
4 urgently to get handbills printed and distributed concerning
5 an upcoming visit by the Senator to the South Side. He said
6 he also needed the money to pay community children or urchins
7 to distribute the fliers door-to-door.

8 The next day, young children began to show up at the
9 office asking for their pay. I tried to reach Mr. Marceca,
10 but was unable to do so. I paid them from my pocket. I think
11 it was \$5 or \$10 each, as I recall. I tried to reach
12 Mr. Marceca, but he did not get back in touch with me.

13 Shortly thereafter, the woman who owned a print shop down
14 the street approached me and asked to be paid for the fliers.
15 I paid her. I again attempted to call Mr. Marceca. My call
16 was not returned.

17 At that point, I approached my codirector, Dan Calegari,
18 who I will deviate from the statement for a moment, is from
19 Hill, New Hampshire, as I recall. He was sent in from New
20 Hampshire to Pittsburgh. And I told him about this apparent
21 theft.

22 We called a man whose name I recall was Page Reese in the
23 Washington Hart office, who was in charge of national staff, I
24 understand. I told Mr. Reese that in my opinion, Mr. Marceca
25 had committed theft and that he would not be permitted back in

(15)

1 my office.

2 The next day, Mr. Marceca telephoned me to state that he
3 had been reamed out by Mr. Reese, and I remember the quote --
4 it stayed in my mind all these years -- you guys got me good,
5 right between the eyes, and he slammed down the phone after
6 that.

7 That night, a Gary Hart confidante, Billy Shore, who was
8 a member of the Senator's personal Senate staff, arrived in
9 Pittsburgh. In a meeting at the William Penn Hotel, with Dan
10 Calegari in attendance, I aired my concerns about the campaign
11 tactics of these men and I stated that unless they were
12 distanced from the campaign, I would resign.

13 Billy called Washington. I don't know who he spoke with
14 down here, and to the best of my knowledge, both men were not
15 seen around the Pennsylvania campaign again, that I was aware
16 of.

17 I never heard of these guys again until I read newspaper
18 accounts of the FBI files matter. I then saw on CNN a film
19 clip of Mr. Livingstone and it triggered my memory of the
20 events. And that's really what I know about these gentlemen.

21 Q To the best of your memory, is the statement which
22 you have given a truthful statement?

23 A Oh, yes, ma'am.

24 Q Can you just tell us, in your own words, why you are
25 here today?

16

1 A It's going to take a minute. I've been in the
2 political consulting business for 33 years and in the last
3 several years, I have seen what I regard as thug elements
4 entering the business. In 1994, I did a congressional
5 campaign for a gentleman named Ron Klink of Pennsylvania.

6 His opponent in that period hired a private detective to
7 research the adoption records of Mr. Klink's children, to
8 research me and to research my child who at that time worked
9 in Washington. Let me rephrase that. My oldest daughter who
10 worked in Washington.

11 I was revulsed by that, and I firmly believe I have an
12 obligation to the people, the 99 percent of the people in this
13 industry who work on issues, who work honestly to get people
14 elected, to make sure that this sort of thing doesn't happen.
15 And if it happens at the White House, and I stress, if it
16 happens at the White House, it has to stop.

17 I also realize I am putting myself at a great deal of
18 personal and professional risk by doing this. I went to
19 church before I called the committee to reflect on what I
20 should do and I decided that this was the right thing to do,
21 and I cannot judge innocence or guilt of these men or anything
22 like that. I only know this period of time what happened, and
23 that's why I am here today.

24 Ms. Olson. Do you have anything, Mr. Stroman?

25 EXAMINATION BY MR. STROMAN:

(17)

1 Q Do you have any specific knowledge of the matters
2 involved in the White House file controversy?

3 A No, sir. No, sir. None whatsoever.

4 Mr. Stroman. Okay.

5 Ms. Olson. Any other questions?

6 Mr. Stroman. No.

7 Ms. Olson. Ms. Comstock.

8 Ms. Comstock. I don't, either.

9 The record is down.

10 The Witness. Thank you.

11 [Casey Exhibit No. 1

12 was marked for identification.]

13 [Whereupon, at 3:35 p.m., the deposition was concluded.]

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In 1984, I was hired to assist in the Primary Election effort of former U.S. Senator Gary Hart in Pennsylvania. Specifically, I assisted in scheduling the candidate and directing the political activities in western Pennsylvania. The campaign used my private office at 1502 East Carson Street on the South Side of Pittsburgh, and an office also existed in the Westin William Penn Hotel in Downtown Pittsburgh. My office was for statewide staff, and the hotel office was for national staff members.

I first came in contact with Craig Livingstone in the William Penn Hotel. A meeting was held because of concern that local and state labor leaders and some prominent public officials were strongly allied behind the candidacy of Walter Mondale. Mr. Livingstone had a legal pad, and he began to report on some of the peccadilloes and vulnerabilities of these persons in hopes of either neutralizing them or getting their support switched. I do not recall the names of these leaders at this time, but I do recall a number of them were from the Beaver County area, of which Mr. Livingstone was a native. I was greatly upset with Mr. Livingstone, as I viewed the matters he was reporting as personal matters that would adversely affect the lives and families of these people. I told him that I wanted no such work done in this area, and that the mere gathering of this information could harm the efforts of Senator Hart...and that any attempt to use the information would cause these labor leaders to support the opponent even more adamantly, in my opinion. Mr. Livingstone disagreed, and I reinforced my direction to him to stop that type of work. He left the room angrily, as I recall.

That evening, I met Mr. Marceca, who I understand was a member of the Hart national campaign staff assigned to Pittsburgh. He seemed like an affable man when a group of us were having a cooling-out session at Mario's Restaurant, adjacent to my then office. He talked to me about the worth of Mr. Livingstone's information, and I recall he stated it was time for the Hart campaign to play "hard ball" with the dirt Mr. Livingstone had gathered. I stated I would have no part of it, and that was not how I viewed the political process.

The next morning, I came in the office and was informed that Mr. Marceca had been in my office prior to my arrival and had removed money from the petty cash box. I checked the drawer and \$200 was missing. I tracked him down and he apologized, but stated that he needed the funds urgently to get handbills printed and distributed concerning an upcoming visit by the

Senator to the South Side. He stated he also needed the money to pay community urchins to distribute the fliers door-to-door. The next day, young children began to show up at the office, asking for their pay. I tried to reach Mr. Marceca, but was unable to do so. I paid them from my pocket...\$5 or \$10 each, as I recall. I tried to reach Mr. Marceca, but he did not get back in touch with me. Shortly thereafter, the woman who owned a print shop down the street approached me and asked to be paid for these fliers. I paid her. I again attempted to call Mr. Marceca. My call was not returned.

At this point, I approached my co-director, Dan Calegari, and told him about this apparent theft. We called a man whose name I recall was Page Reese, in the Washington office, who was in charge of national staff. I told Mr. Reese that in my opinion Mr. Marceca had committed theft, and that he would not be permitted back in my office. The next day, Mr. Marceca telephoned me to state that he had been reamed out by Mr. Reese, and I remember this exact quote, "You guys got me good, right between the eyes." He slammed down the phone.

That night, a Gary Hart confidante, Billy Shore, who was a member of the Senator's personal staff, arrived in Pittsburgh. In a meeting at the William Penn, with Dan Calegari in attendance, I aired my concerns about the campaign tactics of these men, and I stated that unless they were distanced from the campaign, I would resign. Billy called Washington, and to the best of my knowledge, both men were sent packing.

I never heard of these men again, until I read newspaper accounts of the FBI files matter. I then saw on CNN a film clip of Mr. Livingstone, and it triggered my memory of the events.

*The collection of money, for the
benefit of my brother-in-law,
Schulman Good?*

[Signature]

STATEMENT OF BERNARD W. NUSSBAUM

BEFORE THE
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
HOUSE OF REPRESENTATIVES

104TH CONGRESS, 2D SESSION
June 26, 1996

Mr. Chairman, Ms. Collins, members of this Committee:

As you all know, I was Counsel to the President of the United States, from January 20, 1993 to April 5, 1994.

Let me begin by telling you something, that goes to the core of who I am, and what I believe -- that is at the heart of the values by which I live.

The very idea of obtaining FBI files for the purpose of digging up dirt on political opponents -- the very thought of creating an enemies list and using secret and private government information against those individuals -- is abhorrent to me.

It is contrary to every bone in my body.

It is contrary to every ideal I have.

It is contrary to the way I have lived my entire life.

So let me be clear. In the Clinton White House I knew, there was no enemies list -- there was no deliberate misuse of private government information -- there was no digging up of dirt from government files to use against political opponents.

If anyone had committed such a reprehensible act in this White House, and it had come to my attention, or to the attention of the President, or the First Lady, the individual responsible would have been thrown out on his ear, and worse.

Now, I realize full well, that, in recent weeks, you and I learned -- and we both learned this at the same time -- that during my tenure as Counsel, a serious mistake -- a very serious mistake -- was made in the White House Personnel Security Office, which reports to the Counsel's Office.

Apparently, because an inaccurate White House access list was provided to an employee of that Security Office, FBI summary background files, which should never have been requested, were obtained by that employee.

That employee has sworn that the error was an innocent one; that the information he obtained was not disseminated to anyone outside of his office; that it was not used for any improper purpose.

At the time this error was being made, in 1993 and 1994, I did not know it was happening. Nor, did anyone in the Counsel's Office know it was happening.

I know the quality of my Counsel staff. Bill Kennedy is an individual of the highest integrity, ability and judgment. I have the greatest respect and regard for him. If anyone in the Counsel's office -- particularly Mr. Kennedy -- had discovered that this error was being made, it would have been halted immediately.

But saying that does not excuse us. It does not excuse any of us in the Counsel's Office. It especially does not excuse me. This happened on my watch, as Counsel to the President. I was the responsible senior official. I bear full responsibility and I accept that responsibility.

When I testified before the Senate on other matters, I spoke about certain principles I tried to live by when I held public office. Those principles are:

- do the right thing;
- realize that, at times, your actions will be misunderstood; that you will be involved in conflict; that you will get bad press;
- acknowledge your mistakes when they occur, but if you acted correctly, defend yourself, defend yourself publicly, and defend those around you, in an open, honest and forthright manner;
- be principled, consistent and strong;
- and, most important, worry less about tomorrow's headlines, than about the judgment of history.

We made a bad mistake here and that mistake must be acknowledged.

Those whose files were wrongly obtained, have every right to be agitated, to be angry, knowing that even one person reviewed their private FBI files, when he should not have done so.

I know I would be agitated if that happened to my file. I know I would be angry. It was a serious breach of privacy.

And, so, each of those individuals, whose file was examined, deserves an apology. And, while I know it will not eliminate the hurt they feel, I do apologize -- to each and every one of them.

* * *

Mr. Chairman, since we are talking about errors, I know of another error that was made -- in connection with this matter.

On June 5, 1996, three weeks ago, you held a press conference, at which you handed out a printed form with my name on it -- a form I had never seen. You called it "a truly startling document from President Clinton's former White House Counsel, Bernard Nussbaum."

Minutes after your press conference ended, a story went out over the Associated Press wire. That story was on national TV all day, and in newspapers all over the country, the next day. This was the way that story began:

WASHINGTON (AP) Then-White House counsel Bernard Nussbaum asked for and received FBI background material on fired travel office chief Billy Dale six months after Dale was kicked out of his post, a congressman disclosed today.

Nussbaum's written request, turned over last week to a House committee, incorrectly states that the presidential lawyer was asking for the material so that Dale could gain "access" to the White House.

U.S. Rep. William Clinger, R-Pa., suggested the written request might be a false statement that could be prosecuted as a felony.

At your press conference, which was widely reported, you were quite direct in your remarks about me. In your opening statement, you said:

White House counsels are expected to be paragons of propriety. At the very least, there is a strong implication President Clinton's counsel acted unethically in requesting confidential background checks of a former employee. At the very worst, the request may have violated the Privacy Act, which protects against improper disclosure of confidential records and information about current and former federal employees.

So, on the basis of a printed form, you told the country, Mr. Chairman, that, at best, I was unethical as White House Counsel; at worst, I was a felon.

The form you relied on, Mr. Chairman, has been in use for over 30 years. As the FBI's recent report on this matter says: "FBI staff have long understood the name on the form was typically not the actual requestor of the information."

You could have called the FBI before your press conference to find out that easily ascertainable fact.

You could have called me.

I do not know if you called the FBI before your press conference, Mr. Chairman.

But you did not call me.

You did call Billy Dale. You called to ask him whether he ever requested access to the White House after he was let go.

And, then, you had him stand in the hall outside your press conference -- so Mr. Dale could immediately tell the press that he never requested such access.

And Mr. Dale's attorney could say -- and I quote from the AP story that emerged from your press conference -- that "Nussbaum's written request 'very easily could be' added to the Whitewater criminal investigation of Prosecutor Kenneth Starr."

We know each other, Mr. Chairman. We had cordial dealings when I was White House Counsel. And you have a reputation for decency and propriety.

But you had no member of your staff call me, to ask me a simple question -- did I ever request Billy Dale's FBI files six months after he was fired?

Was I really trying to dig up dirt on Billy Dale when he was being investigated by the Justice Department?

Those notions are absurd on their face. They are false. But no one called to ask.

Nonetheless, you stood before the TV cameras to suggest to the country that I was using the FBI to dig up dirt on Billy Dale -- that I was making false statements to the FBI -- that I could probably be prosecuted for a felony -- that I was not the paragon of propriety that a White House Counsel should be.

Everything you suggested about me, Mr. Chairman, in your press conference, was a reckless falsehood.

I know, believe me I know all too well, that we live in an age where the politics of personal destruction reigns supreme.

I know we live in an age where, as my late, dear friend, Vincent Foster said so poignantly in his last note, "ruining people is considered sport."

Well, Vince is gone, so he does not have to bear it any more.

I think, I certainly hope, the American people are becoming tired of vicious, unwarranted, baseless personal attacks -- that they are becoming tired of the politics of personal destruction.

But whether they are or not -- I am.

Enough is enough.

So, on this day, Mr. Chairman, when errors should be acknowledged and apologies are in order -- will I hear you acknowledge your error, Mr. Chairman?

Will I hear your apology?

Thank you.

Testimony of Anthony B. Marceca

Before the House Government Reform and Oversight Committee

June 26, 1996

Mr. Chairman and members of the committee, I appear before you today as a witness to explain my role at the White House and the handling of FBI background files.

In mid-August 1993, I was detailed from my position as an investigator with the United States Army Criminal Investigative Division to the White House Office of Personnel Security. I remained in that position until February 1994. At that time I had, and to this day I continue to have, a top secret security clearance.

Let me generally describe what my tasks were. My primary task was to stay current with regard to SF-88's that had been filled out by new White House employees. A second task was to assist in staying current with other requests for access to the White House. The third task was the Update Project.

This third assignment at the Office of Personnel Security was to recreate personnel security files on employees and officials from the prior Administration who continued in their positions with the Clinton Administration or who continued to have a legitimate need for access to the White House complex. It was my understanding that all personnel security files from the prior Administration had been sent to the Bush Administration archives during the transition.

In preparation for assuming my position at the White House, I met with Craig Livingstone, Nancy Gemmell and other staffers in the Office of Personnel Security.

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This third assignment at the Office of Personnel Security was to recreate personnel security files on employees and officials from the prior Administration who continued in their positions with the Clinton Administration or who continued to have a legitimate need for access to the White House complex. It was my understanding that all personnel security files from the prior Administration had been sent to the Bush Administration archives during the transition.

In preparation for assuming my position at the White House, I met with Craig Livingstone, Nancy Gemmell and other staffers in the Office of Personnel Security.

Yesterday, you received notes of an August 9th meeting I had with Ms. Gemmell. Ms. Gemmell generally discussed with me the procedure by which I was to establish the files for White House employees and those with a need for access to the White House. Although it had a lower priority than other functions I was to perform, the Update Project was one of the job functions that Ms. Gemmell discussed. Through discussions with Ms. Gemmell, Mr. Livingston, and others I had a general sense of my responsibilities when I began work at the White House on August 18th.

The procedure I employed for the Update Project was as follows. Generally, I worked from a set of computer lists that was located in the vault in the Office of Personnel Security. I attempted to go through the names on these lists in the order in which they appeared. For each name, I would prepare a file folder and type a request on a pre-printed, xeroxed form, addressed to the "FBI, Liaison," asking for a copy of the individual's Previous Report. (I believe, but am not certain, some folders may have already been typed.) I also typed on the form the reason for the request to the FBI, e.g., "ACCESS (S)." I sent the form requesting a Previous Report to the FBI without showing it to anyone else in the Office of Personnel Security. When the Previous Report came into the office, I pulled the file I had created for the individual and reviewed the report to determine the date for the individual's next periodic reinvestigation, and to determine whether there was any information in the individual's Previous Report that could raise a question as to the individual's suitability to have access to the White House complex. In almost every case, my basic function was to determine from the Previous Report whether a new investigation was needed. If the

Previous Report showed that a background investigation had been done within the last five years, I marked on the label on the file the date when a new investigation would be needed and put the folder into the general file. If the Previous Report showed that a background investigation had not been done in the last five years, I began the task of putting together a proper file to initiate the reinvestigation process. The first step was to get the individual in question to fill out a new SF-86, which contained, among other things, the individual's express consent to allow a new FBI full field investigation. If in the process of seeking a new SF-86, I discovered that the individual was no longer employed by, and no longer otherwise needed access to, the White House, I simply put the individual's file into what I called the "dead file."

Let me try to generally describe the set of lists that I worked from. It is not a document that I recall with complete precision, mostly because it was a routine computer print-out that was not otherwise particularly memorable. I do remember that it was a computer print-out that was in the vault of the Office of Personnel Security. It was on green and white computer paper. I believe it was approximately 18 inches wide, at least that is the picture I have in my mind. I recall that it was folded over and had connecting pages. I recall that it was approximately an inch thick. I recall the names being on the left hand column. I do not recall identifying marks at the top of the pages, but that is not to say that such marks did not exist. I have a memory, though not vivid, that there were other identifying pieces of information on these lists. I recall the computer printout was divided into various subgroups. As best I recall,

there may have been a designation on the list noting the particular office within the White House. For example, you will note there are designations in the documents that I have provided that identify different offices by a letter designation. These include : G - GSA; R- Residence; N - National Security Council; S - Staff; A (or C) - AT&T or C&P; etc. My recollection is that such a designation may have been on the lists, but I'm not certain of this fact. I also believe there were other identifying features on the lists such as a date and place of birth for each individual.

On the basis of this computer print-out, I would have gone through each department by alphabet. Thus, when my detail was finished, I had completed the lists for a number of departments and was working my way down the Staff list.

I was not asked to, and I did not seek to, obtain a Previous Report on any person for any reason other than to create a current personnel security file for an individual whom I believed was properly included on the White House access list. When I obtained copies of Previous Reports, I processed each one in accordance with the procedure I describe above, and did not single out any person for special scrutiny or treat any person differently, because of who he or she may have been.

I would be pleased to answer any questions you have.

STATEMENT OF D. CRAIG LIVINGSTONE
before the
House Government Reform and Oversight Committee
June 26, 1996

Chairman Clinger, Ranking Minority Member Collins, and Members of the Committee, my name is Craig Livingstone. Thank you for allowing me the opportunity to testify here today.

First, I want to speak directly to each of the persons whose FBI background summaries were mistakenly obtained by the Office of Personnel Security. I am deeply sorry that this mistake occurred. I know at this point there is nothing I can do to eliminate your concerns completely, but I hope that what I and others have to say here today will ease some of your fears.

To the very best of my knowledge and belief, my Office's requests for previous FBI summary reports on several hundred former administration staffers was an entirely innocent mistake that occurred during the routine process of creating personnel security files on everyone who had access to the White House complex. As best I can tell, this mistake occurred simply because the passholder list provided to my office by the Secret Service contained some names of former staffers who no longer had access to the White House complex, interspersed among the names of actual, current passholders and others who continued to have access. As a result, it appears that Anthony Marceca, who in good faith relied on a Secret Service list of supposedly current passholders routinely provided to the Office of Personnel Security, inadvertently requested previous reports on a number of individuals who, in reality, no longer had access to the White House complex.

While I do not know all the details of how the Update Project proceeded, I want to be absolutely clear about what I do know: I was never asked to obtain, I never instructed anyone else to obtain, and I never myself sought to obtain any FBI background information on any person for any improper purpose whatsoever, nor do I believe that anyone working for me ever sought to do so. Furthermore, to the best of my ability, I treated background information confidentially. I never disclosed, nor asked anyone else to disclose, any information contained in anyone's FBI background file to any other person for any improper purpose whatsoever, and I have no reason to believe that anyone else in my Office ever did so.

To understand how this mistake occurred, I think it is essential to understand the role of the Office of Personnel Security in general, and the Update Project in particular. It was not the function of the Office of Personnel Security to act in a law enforcement capacity; physical security of the White House complex is primarily the responsibility of the Secret Service. During my tenure as its Director, the principal function of the Office of Personnel Security was to coordinate the paper flow among the White House Counsel's Office, the FBI, and the United States Secret Service to ensure that people who needed to have access to the White House complex had undergone a full FBI background investigation every five years, and posed no problem regarding their suitability for access. It was not the role of the Office of Personnel Security to make the ultimate determination as to whether a particular individual was, or was not, suitable for White House access; that was the responsibility of the White House Counsel's Office and the Secret Service. The Office of Personnel Security was an administrative adjunct to the Counsel's Office that served

Project was performed to determine whether any of these holdovers were due for their five-year periodic reinvestigation by the FBI. As I understand it, the longstanding procedure — dating back at least to the beginning of the Reagan Administration — for identifying holdovers for the Update Project was to use a list of active passholders generated by the Secret Service. The mistake seems to have occurred because the Secret Service list relied upon during at least a portion of the Update Project contained outdated information, and inaccurately identified as active passholders many individuals who were not, in fact, active passholders.

When the mistake occurred during in the fall of 1993 and early 1994, the Update Project was far from being the main priority in my Office. Much of our attention was directed to processing the paperwork necessary to generate permanent passes for new employees and officials of the Clinton Administration. This required getting completed Standard Form 86 and tax check waiver forms from new hires, ensuring that all the forms were properly filled out, getting the forms to the FBI and the IRS, and resolving any minor issues Counsel's Office might ask us to resolve when the background investigations came back from the FBI. As many of you know, throughout the first year of the Administration, we were understaffed because of budget cuts and overwhelmed by the paperwork necessary to get new staff members their permanent passes. Because the Update Project concerned individuals who already had been found suitable for access to the White House complex by at least one prior administration, it was not considered a pressing priority. It was a Project that was worked on, as time permitted, during the course of responding to more pressing priorities.

Chairman Clinger, members of the Committee, I know, and I accept, that I bear responsibility for the mistake that occurred. I bear that responsibility because I failed to coordinate closely enough with Nancy Stuenkel, who had worked in both the Reagan and Bush administrations and who began the project, and because I failed to supervise closely enough Mr. Marceca, who picked up the project and worked on it for approximately six months, or Lisa Wetzl, who completed the project. Because my attention was focused elsewhere on what I believed at the time to be more pressing priorities, I did not recognize the problem, and for that, I am truly sorry. As a result, I want to be the first to announce that I am tendering my resignation from the White House effective immediately.

But I also want to make clear that neither I, nor, to my knowledge, anyone else in the White House, participated in any kind of smear campaign or an effort to compile an enemies list, as some have alleged or feared. That is just not true.

Finally, I want to say something about me, Craig Livingstone. Over the past two weeks, I have been the object of much ridicule and suspicion because I have been active in political campaigns in the past, because I, like many others, have occasionally held part-time jobs in restaurants, because of my size and physical appearance, and because I am a political appointee in the Clinton Administration, even though I did not attend the best of schools and do not have the best resume in town. I have been described as a "political operative," a "beefy former bar bouncer," and a "henchman" who has supposedly engaged in all sorts of misconduct, dating back almost 20 years. These are false and unfair caricatures of who I am. I am proud that I have personally participated in our democratic system of government, and that I worked hard for little or no pay during political campaigns for

candidates who I felt would make this country a better place to live. And I am proud to have served in the Clinton Administration. I honestly believe that getting involved in our democracy is something good and decent, something that should be encouraged, not scorned and repaid with personal humiliation.

Thank you for giving me the opportunity to make this opening statement.



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Mr. President:

While Individual Decision memos
give you an incremental feel for
your appointees, nominees + applicants,
I think the attached report which
I plan to send on a weekly
basis will give you an overall
view of what is happening
with all these. Do you agree?

BOB NASH

Phil -

Do not send this
to ORM

me

98 FEB 3 AM 9:24

THE WHITE HOUSE
WASHINGTON

February 2, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BOB J. NASH, Assistant to the President and
Director of Presidential Personnel

RE: WEEKLY REPORT FOR JANUARY 26 - FEBRUARY 1, 1998

I. NEW ISSUES

*Am might
a letter to
be
some day
for this*
GAO Comptroller General

The Comptroller General position is vacant. In the event of a vacancy, Congress created legislation requiring a commission to recommend three (3) persons to the President for nomination and appointment. The Republican majority of the Commission sent you three persons--all partisan and Republican. The slate failed to include any names recommended by the Democrat minority.

I am working with the Counsel's office, John Podesta, and the Vice President's office on a response to reject this slate.

Census Director

Jim Holmes, Regional Director of the Atlanta Regional Census Office, was approved to be Acting Director of Census Bureau. He replaces Dr. Marty Riche who left on February 2, 1998. We are looking for a permanent Director. Several Democratic Congresspersons and non-profit groups are pushing President Bush's Census Director, Dr. Barbara Bryant.

1668
Census Monitoring Board

The Census Monitoring Board will consist of eight (8) members, two (2) of whom will be appointed by Majority Leader Lott, two (2) by the Speaker of the House, and four (4) by you consulting with Gephardt and Daschle. We have submitted a decision memo to you recommending four persons to serve on the Census Monitoring Board (Tony Coehlo, Everett Ehrlich, Linda Williams and Marta Tienda).

FDA Commissioner

We anticipate recommending Jane Henney, Vice President of The University of New Mexico Health Sciences Center and wife of a former Senator Kennedy staffer, for Commissioner of the FDA. I am very concerned about HHS' commitment to Ms. Henney. HHS did not want to make a final recommendation to the POTUS recommending Henney. As you know, the Vice President supports Ms. Henney and *not* Michael Friedman, the Acting Commissioner of FDA. Mr. Friedman is favored by Secretary Shalala. If Ms. Henney is nominated and her confirmation is delayed or fails, then Friedman will continue to serve as FDA Commissioner.

Federal Election Commission

Senator Lott's office continues to pressure us to nominate Dave Mason, Lott's recommendation for a Republican seat on the FEC. John McGarry, one of our three (3) Democratic commissioners and nominee is sick and will resign soon. We are looking for a replacement. Sherry Swirsky and Eric Kleinfeld are the leading candidates. Two Republicans are in vetting for the two Republican vacancies.

II. KEY VACANCIES

<i>Position</i>	<i>Incumbent (or Vice)</i>	<i>Status</i>
Secretary of the Army	Togo West	Vacant upon West's confirmation.
General Counsel, USDA	Jim Gilliland	Chuck Ruff recommends Tulane Law Prof. John Kramer
AID Assistant Administrator, Asia & the Near East	Vacant since Margaret Carpenter resigned 6/11/97	I like Bob Randolph. AID likes a career person (Nina Stetson).
CFTC Commissioner <i>Tom's OK</i>	John Tull's term expires 6/19/98; Tull wants to stay awhile	Daschle supports Tom Erickson.
Chair, EEOC	Gil Casellas resigned effective 12/98	Working with Congressional Hispanic Caucus.
FDA Commissioner	David Kessler	We will recommend Jane Henney, who has support from Office of Vice President.

<i>Position</i>	<i>Incumbent (or Vice)</i>	<i>Status</i>
HUD Deputy Secretary	Dwight Robinson	Secretary Cuomo likes Saul Ramirez (Asst. Secretary for Community Planning & Dev't
HUD Assistant Secretary for Community Planning & Dev't	Saul Ramirez, if he becomes Deputy Secretary of HUD	Cuomo would like to have Cardell Cooper in this position rather than as Assistant Secretary for Administration at HUD.
Chair, Inter-American Fnd	Maria Otero	Maria Otero's resignation will occur in May 1998.
Assistant Secretary, Oceans, State Department	Eileen Claussen	Steve Cowper is favored by State. Office of the Vice President prefers Dirk Forrister.

PHOTOCOPY
WJC HANDWRITING

III. AMBASSADOR POSTS

Current Non-Career Vacancies

Argentina
Bermuda (Vin Gupta may decide to withdraw)
Czech Republic (Albright wants John Shattuck, currently Assistant Secretary for Human Rights at State)
Fiji
Ireland (Our understanding is that Jean Smith will resign between February-June 1998)
New Zealand
Panama (Note: State wants to make this post *career*.)
UN Vienna (John Rich to leave soon)

Expected Non-Career Vacancies

China (in December 1998)
South Africa (in December 1998)

Current Non-Career Ambassador Posts Selected by You and In Clearance

Bahamas (Schechter)
Barbados (Crotty)
Belgium (Cejas)
Brazil (Godfrey)
Chile (O'Leary)
Denmark (Swett)
Dominican Republic (Aponte)
Gambia (Haley)
Mexico (Davidoff)
Micronesia (Watson)
Netherlands (Schneider)
Spain (Romero)
Tanzania (Stith)

Career Posts Expected this Year

Cambodia
Cameroon
Guinea-Bissau
Indonesia
Kazakhstan
Latvia
Lebanon
Malaysia

Mali
Marshall Islands
Oman
Pakistan
Rwanda
Thailand

Current Career Ambassador Posts Selected by You and In Clearance

Angola (Sullivan)
Armenia (Lemmon)
Benin (Felder)
Congo (Swing)
Cote d'Ivoire (Mu)
Finland (Edelman)
Ghana (Robinson)
Jordan (Burns)
Kazakhstan (Ramsay)
Lesotho (Peterson)
Liberia (Milam)
Madagascar (Barnes)
Moldova (Perina)
Qatar (McKune)
Sierra Leone (Patrick)
Slovenia (Ely-Raphel)
Sudan (Limbert)
Syria (Crocker)
Tajikistan (Finn)
Turkmenistan (Mann)
United Arab Emirates (Kattouf)

IV. STATUS OF APPOINTMENTS

The following two tables depict the current percentages of persons in the administration by diversity and gender. The percentages are followed by parenthetical references to the Civilian Work Force as reported by the Office of Personnel Management.¹

Diversity Representation in the Administration:

<i>Appointment Type</i>	<i>African American (10.8%)</i>	<i>Asian American (3.4%)</i>	<i>Hispanic (10.5%)</i>	<i>Native American (0.8%)</i>	<i>Non-Minority White (74.5%)</i>
PAS	13%	2%	6%	1%	77%
PA	11%	4%	8%	3%	74%
NC SES	13%	4%	6%	1%	76%
Sch C	16%	3%	8%	0.1%	73%
Grand Total	13%	3%	7%	1%	75%

Gender Representation

	<i>Female (46.3%)</i>	<i>Male (53.7%)</i>
PAS	29%	71%
PA	35%	65%
NC-SES	38%	62%
Sch C	58%	42%
Grand Total	41%	58%

¹Key to Abbreviations:

- PAS: Senate Confirmed Cabinet, Subcabinet and Full-time Boards
PA: Part-time Boards and Commissions
NC-SES: Non-Career Senior Executive Service, such as Office Directors, Deputy Assistant Secretaries, . . .
Sch. C: Staff Assistants, Executive Assistants, Schedulers

Status of 1997 Nominations and Confirmations

	Full-Time	Part-Time	Total
Currently Nominated	95	27	122
Confirmed this year	294	68	362
Grand total	389	95	484
% of Grand Total Confirmed in 1997	76%	72%	75%

Status of 1998 Nominations and Confirmations

Status of All (Including Judges)

	Full-Time	Part-Time	Total
Currently Nominated	110	36	146
Confirmed in 1998	3 (3%)	0	3 (2%)
Grand total (Nominated or Confirmed)	113	36	149

Judges ONLY

	Judges
Currently Nominated	57*
Confirmed in 1998	3 (5%)
Grand total (Nominated or Confirmed)	60

* Includes 14 Judges nominated in 1998

Key Nominations This Week:

David Oliver, Deputy Under Secretary for Acquisition & Technology, Dept of Defense
 Scott Fleming, Assistant Secretary for Legislation & Congressional Affairs, Dept of Education
 Bill Lann Lee, Assistant Attorney General for Civil Rights, Dept of Justice (re-nomination)
 Charles Dolan, Jr, Member, U.S. Advisory Commission on Public Diplomacy
 Cherry Thomas, Chair, Railroad Retirement Board
 Paul Seave, U.S. Attorney for Eastern California
 Togo West, Jr, Secretary for Veterans Affairs, Dept of Veterans Affairs

Judicial Nominations This Week:

Christine Miller, Judge, U.S. Court of Federal Claims
Emilio Cividanes, Judge, D.C. Court of Appeals
John Kelly, Judge, U.S. Circuit Court
Marsha Berzon, Judge, U.S. Circuit Court
Kim McLane Wardlaw, Judge, U.S. Circuit Court
Judith Barzilay, Judge, U.S. Court of International Trade
Delissa Ridgeway, Judge, U.S. Court of International Trade
Gregory Sleet, Judge, U.S. District Court
Robert James, Judge, U.S. District Court
Johnnie Rawlinson, Judge, U.S. District Court
Stephan Mickle, Judge, U.S. District Court
William Dimitrouleas, Judge, U.S. District Court
James Klein, Judge, U.S. District Court
Richard Roberts, Judge, U.S. District Court

Key Nominations Expected in the Next Few Weeks (Upon Counsel Clearance):

Robert Miller, State Justice Institute (Daschle sponsors)
Sue Bailey, Assistant Secretary, Health Affairs, DOD
David Mason, Republican, FEC (only if Leg Affairs, Counsel's Office and PPO agree)
Eligah Clark, Chair, Board of Veterans Appeals, Veterans Affairs
Bill Ivey, Chair NEA
Ned Powell, Assistant Secretary for Management, Veterans Affairs
Sandy Apgar, Assistant Secretary for Installations, Logistics, DOD-Army
William Apgar, Assistant Secretary for Policy Development, HUD
Bill Crotty, Ambassador to Barbados (upon consent from State Department)

V. MISCELLANEOUS ITEMS**Steve Rattner**, New York

Appointed as member of the Commission to Study Capital Budgeting.

Ned Powell, Virginia

Selected and in clearance for Assistant Secretary for Management at Veterans Affairs. Recently completed his financial statement, which is under review by Counsel's office. Should clear and be ready to nominate by mid-February.

Lee Godfrey, Texas

Selected and in clearance for Ambassador to Brazil. Law partner died recently; Godfrey has not yet completed his paperwork to begin the clearance process.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bob Nash to POTUS re: Weekly Report [partial] (1 page)	02/02/1998	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Too Late to Process
OA/Box Number: 22057

FOLDER TITLE:

Sensitive-Personnel-Related [1]

2019-0990-S

rs3475

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Noach Dear, New York

Declined your offer for US Postal Service Board of Governors. Considering other non-confirmed part-time boards or commissions.

Julia Pirkey, New York

Declined offer of a Schedule C position. Decided to take private sector job in NYC (management position at Kaplan Learning Services).

Maureen White, New York

Appointed as U.S. Representative to UNICEF and has just attended a major UNICEF conference.

Deborah K. Willhite, Arkansas

Withdrew as nominee for Assistant Secretary for Congressional Affairs at VA to work for the U.S. Postal Service. We are looking for another candidate.

Jim Roosevelt, Massachusetts

Is considering two jobs; one is at Social Security as Assoc. Commissioner for Retirement Policy and another as Director of Managed Care at HCFA.

Bruce Lehman, District of Columbia

Plans to leave as Assistant Secretary for Patents and Trademarks and return to private sector in April 1998.

Dr. Neal Lane

Plans to leave as Director of the National Science Foundation (NSF) in late Spring 1998. Dr. Rita Colwell, nominated as Deputy Director of NSF should be selected for the top spot. Dr. Lane is the VP's choice to be Director of OSTP.

Dr. Steve Gleason

Declined offer to be Director of the Center for Benefit Services at HCFA because of illness. Will consider a position later. He is doing some consulting work for HCFA.

(b)(6)

Debbie Branson, Texas

Debbie declined position as Regional Director of the SBA office in Dallas. We are now looking for a Part-time Board in Washington, D.C.

Fred D. Hochberg

We are hoping to get Fred confirmed as Deputy Administrator of SBA during the first

quarter of 1998.

Martha Whetstone

Martha has been appointed Regional Director of FEMA Region Nine (9) in Los Angeles, California.

**VI. STATUS OF REPUBLICAN RECOMMENDATIONS
FROM MAJORITY LEADER LOTT**

Lott Recommendations

Under Consideration:	8
Approved by President / In Clearance:	14
Nominated by the President	5
Appointed by the President:	24
Withdrawn by Lott:	9
Rejected by White House:	<u>0</u>
TOTAL	60

REPUBLICAN RECOMMENDATIONS UNDER CONSIDERATION

APPLICANT	POSITION	BACKGROUND AND STATUS
Edward Reilly	U.S. Sentencing Commission	
Douglas Miller	National Mediation Board	Former Senator Pressler staffer
John M. Stamos	Nuclear Regulatory Commission	Currently serving as a Senator Coverdell (R-GA) staffer (Dept of Energy career employee who is "detailed" to work on Coverdell's Senate staff). In previous sessions, Coverdell placed on hold democratic nominees for the Nuclear Regulatory Commission.
Charles Clark	U.S. Sentencing Commission	

APPLICANT	POSITION	BACKGROUND AND STATUS
Eric Eberhard	Udall Scholarship	Eberhard was formerly the Staff Director (Republican probably working for Ben Nighthorse Campbell) and Counsel on the Senate Committee on Indian Affairs.
Ritajean H. Butterworth	Corporation for Public Broadcasting	Currently serving; previously appointed by Bush in 1992.
Ruth Miller	Corporation for National Service	
Arthur H. Snowden	State Justice Institute	Snowden is probably a Senator Stevens' recommendation. Snowden serves as Administrative Director of the Alaska Court System

BN:dvw

2-4-98

0486

THE WHITE HOUSE

WASHINGTON

'98 FEB 2 PM 2:44

February 2, 1998

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: Farewell Letter for Rand Beers

Purpose

To obtain your signature on the farewell letter (at Tab A) for Rand Beers.

Background

Rand Beers has served on the National Security Council Staff since 1993, and since March 1995, as Special Assistant to the President and Senior Director for Intelligence Programs. Rand also served at the NSC from 1988 to 1992 giving him almost 11 years on our staff. He now returns to the Department of State where he will take up duties as Acting Assistant Secretary for International Narcotics and Law Enforcement.

RECOMMENDATION

That you sign the farewell letter to Rand Beers at Tab A.

Attachment

Tab A Farewell letter to Rand Beers

*copied
Berger
NSC - West Wing Desk
Scheduling
COS*

PHOTOCOPY
WJC HANDWRITING

cc: Vice President
Chief of Staff

Clinton Presidential Records Digital Records Marker

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TAB A

Divider Title: _____

THE WHITE HOUSE

WASHINGTON

Dear Rand:

As you depart the National Security Council Staff, I would like to take the opportunity to thank you for one of the longest tenures of dedicated service in the 50 year history of the NSC, most recently as my Special Assistant and Senior Director for Intelligence Programs. You set high standards for integrity and diligence to duty; your advice and expertise on sensitive issues of critical importance to the national security of the United States were highly valued.

I am grateful for your outstanding work on Haiti, Somalia, the war on drugs, the fight against terrorism, the building of a UN peacekeeping structure, and finally with my Commission on Critical Infrastructure Protection.

Please accept my best wishes for every future success as you assume your new position at the Department of State.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", with a long horizontal flourish extending to the right.

The Honorable Rand Beers
Special Assistant to the President
and Senior Director for Intelligence Programs
National Security Council
Washington, D. C. 20504

PHOTOCOPY
WJC HANDWRITING

THE WHITE HOUSE
WASHINGTON

'98 FEB 3 AM 10:09

February 3, 1998

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

SAMUEL BERGER

JOHN HILLEY

*we might
have to compromise
at 2 million*

SUBJECT:

Letter from Senator Landrieu Regarding JSTARS

Purpose

Respond to Senator Landrieu's JSTARS funding request.

Background

Senator Landrieu seeks \$72 million in long-lead funding for two JSTARS aircraft in the FY99 budget (the total cost for two additional aircraft exceeds \$500 million). Consistent with the Quadrennial Defense Review (QDR), the FY99 budget request proposes purchasing the last two JSTARS aircraft for the USAF. The QDR reduced from 19 to 13 the planned number to be acquired based partially on the anticipation of NATO purchasing up to six aircraft. In November, NATO indicated it likely would not purchase JSTARS aircraft and over 100 Members of Congress subsequently have urged DoD to revisit the decision to fund only 13 aircraft (the costs for six additional aircraft exceed \$1.6 billion). DoD is reviewing JSTARS requirements and should complete its study in April.

The response leaves open the door for negotiations with the Congress during the legislative process, should the study establish a requirement for more JSTARS aircraft.

RECOMMENDATION

That you sign the letter at Tab A.

*copied
Berger
NSC-West Wing Desk
Stein
COS*

Attachments

Tab A Letter for Signature

Tab B Incoming Correspondence

PHOTOCOPY
WJC HANDWRITING

cc: Vice President
Chief of Staff

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TAB A

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THE WHITE HOUSE
WASHINGTON

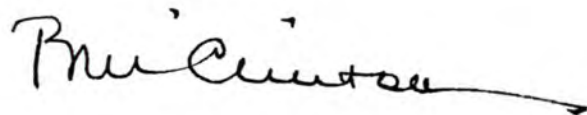
Dear Mary:

Thank you for your letter requesting long-lead funding for two more JSTARS aircraft.

As you are aware, the Quadrennial Defense Review trimmed the size of the U.S. Air Force JSTARS fleet. This occurred prior to NATO's November decision to postpone acquisition of an air-ground surveillance system. The Department of Defense is reviewing various options to supplement the existing and planned JSTARS fleet and anticipates completing this review in April. Should the review conclude that additional JSTARS aircraft are required, the Administration will work closely with the Congress to decide the best way forward.

Thank you again for writing.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton", with a long, sweeping horizontal line extending to the right.

The Honorable Mary L. Landrieu
United States Senate
Washington, D.C. 20510-1804

PHOTOCOPY
WJC HANDWRITING

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TAB B

Divider Title: _____

United States Senate

WASHINGTON, DC 20510-1804

JAN 7 - 5:28

January 8, 1997

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As you know, on November 6, 1997 NATO officials decided to postpone the acquisition of an air-to-ground surveillance system. We had hoped that NATO would take the opportunity to adopt America's leading technology in that area, the E-8C Joint Surveillance/Target Attack Radar System (JSTARS). Unfortunately, since a NATO purchase is not forthcoming in the foreseeable future, the viability of JSTARS production is threatened.

As originally planned, the JSTARS program was to consist of 19 planes. This was trimmed back to a purchase of 13, with the promise of an additional 5 aircraft to be acquired by NATO. Without this additional purchase, we are left with an inadequate number of E-8Cs which have already proven their value from Desert Storm to Bosnia.

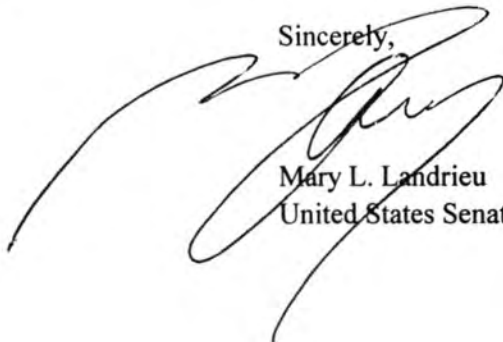
Of particular concern to Louisiana are the 2,000 high-skill, high-wage jobs that are now placed in jeopardy. Without long lead funding for JSTARS aircraft, layoffs will begin in October of this year and will culminate in the plant closing altogether in 2001. Southwest Louisiana has been battered in recent months by a series of layoffs produced by free-trade agreements. Further unemployment, coming during such a fragile period for the region, may create a downward spiral which would devastate the local economy.

What makes the matter all the more urgent is that JSTARS is a program with significant value to our military and is perfectly tailored to the type of role we can expect the armed services to play in future military conflicts. The Chairman of the National Defense Panel has already recommended that the Air Force reconsider the number of E-8Cs it will purchase. Many defense analysts argue that even the purchase of 19 planes by the Air Force would not meet the expected demand for the capabilities the E-8C provides.

I hope that you will prevent a break in this very important program by providing \$72 million in long lead funding for two aircraft in the Fiscal Year 1999 budget. This is an issue critical to my constituency and ultimately to our national defense. Senator Breaux and I would deeply appreciate your consideration of our request.

With warmest regards, I am

Sincerely,



Mary L. Landrieu
United States Senator

THE WHITE HOUSE

WASHINGTON

January 9, 1998

MEMORANDUM FOR GLYN DAVIES
NSC Executive Secretariat

FROM: SUSAN BROPHY *SB*
Legislative Affairs

SUBJECT: Presidential Correspondence

Attached are copies of letters sent to the President by various Members of Congress. Since these letter addresses national security issues, we would appreciate your assistance in drafting a response.

Thank you very much for your assistance. If you have any questions, please feel free to call Chris Walker at x67500.

The following is a brief description of the letters:

- 1) Rep Tony P. Hall (D-OH), concerning North Korea,
- 2) Sen. Mary L. Landrieu (D-LA), concerning NATO and air-to-ground surveillance systems,
- 3) Rep. Frank R. Wolf (R-VA), concerning religious persecution,
- 4) Rep. Frank R. Wolf (R-VA), concerning the Khartoum regime,
- 5) Rep. Tom Lantos (D-CA), concerning Keven Artt, Terence Kirby and Pol Brennan,
- 6) Rep. Nancy Pelosi (D-CA), concerning Keven Artt, Terence Kirby and Pol Brennan,
- 7) Sen. Tom Harkin (D-IA), concerning his constituent, Rhonda Eakins; and,
- 8) Sen. Dan Coats (R-IN), concerning the implementation of the Dayton Agreement.

JAN 10 12:17
Enclosures

THE PRESIDENT HAS SEEN
2-4-98

0676

THE WHITE HOUSE

WASHINGTON

February 2, 1998

98 FEB 2 PM 2:29

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER *SB*

SUBJECT: Condolence Letter on Death of the Wife of
Portuguese Prime Minister Guterres

*I should
call him*

Purpose

To express condolence over death of Portuguese First Lady.

Background

Portuguese Prime Minister Guterres' wife Luisa passed away this week due to liver failure. You met Mrs. Guterres in Washington last year and Mrs. Clinton met Mrs. Guterres during her visit to Portugal last July. Mrs. Guterres was a psychiatrist, and the Guterres' had two children.

RECOMMENDATION

That you sign the condolence letter at Tab A.

Attachment

Tab A Letter to Prime Minister Guterres

Tab B Incoming Cable

*copied
Berger
NSC - What Wing Desk
COS*

PHOTOCOPY
WJC HANDWRITING

cc: Vice President
Chief of Staff

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TAB A

Divider Title: _____

THE WHITE HOUSE

WASHINGTON

Dear Antonio:

Hillary and I were greatly saddened to learn of the loss of your wife, Luisa. Hillary remembers with great affection the time they shared together in Lisbon last July. Please accept our deepest sympathy. Our prayers are with you and your children.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill", followed by a horizontal line.

His Excellency
Antonio Guterres
Prime Minister of Portugal
Lisbon

PHOTOCOPY
WJC HANDWRITING

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TAB B

Divider Title: _____

IMMEDIATE

UNCLASSIFIED

WHITE HOUSE SITUATION ROOM

0676
Pls Hank
Eur -
ASAP

PAGE 01

PRT: BERGER COSGRIFF DAVIES FUERTH HELWEG KERRICK MALLEY RICEE SIT
STEINBERG

SIT: BANDLER BROWN BUTLER MCELLOWNEY SUM2 TODD VP

SIT: NSC

<PREC> IMMEDIATE <CLAS> UNCLASSIFIED <DTG> 281144Z JAN 98

FM AMEMBASSY LISBON

TO RHEHAAA/THE WHITE HOUSE WASHINGTON DC IMMEDIATE
RHEHNSC/NSC WASHDC IMMEDIATE
RUEHC/SECSTATE WASHDC IMMEDIATE 0607
RUEKJCS/SECDEF WASHDC IMMEDIATE
INFO RUEHXQ/EUROPEAN POLITICAL COLLECTIVE PRIORITY
UNCLAS LISBON 000412

NSC FOR BERGER AND BANDLER
NSC PLS PASS OVP
STATE FOR S/S-S, EUR, AND EUR/WE

E.O. 12958: N/A

TAGS: PREL, PINR (GUTERRES, LUISA AMELIA), PO, US

SUBJECT: PRIME MINISTER GUTERRES' WIFE DIED JANUARY 28

1. PORTUGUESE PRIME MINISTER ANTONIO GUTERRES' WIFE, LUISA AMELIA GUTERRES, DIED IN LONDON THIS MORNING FOLLOWING A LONG BATTLE WITH KIDNEY DISEASE. THE PRIME MINISTER IS EXPECTED TO ACCOMPANY HIS WIFE'S REMAINS BACK TO LISBON TODAY (WEDNESDAY), AND A FUNERAL IS CURRENTLY PLANNED FOR THURSDAY, JANUARY 29.

2. THE PRESIDENT AND MRS CLINTON WILL RECALL THAT THEY HOSTED THE GUTERRES AT THE WHITE HOUSE IN APRIL AND THAT MRS CLINTON HAD LUNCH WITH MRS GUTERRES WHEN THE FIRST LADY VISITED LISBON IN JULY.

3. ACTION REQUESTED: CONDOLENCE MESSAGES FROM U.S. OFFICIALS THAT HAVE MET PRIME MINISTER AND MRS GUTERRES, INCLUDING PRESIDENT AND MRS CLINTON, VICE PRESIDENT GORE, SECRETARY ALBRIGHT, AND SECRETARY COHEN, WOULD BE MOST APPRECIATED.

MATTSON

<^SECT>SECTION: 01 OF 01

<^SSN>0412

<MSGID> M3123255

PHOTOCOPY
WJC HANDWRITING

JAN 29 8:22

UNCLASSIFIED