THE WHITE HOUSE

Office of the Press Secretary
(Chicago, Illinois)

For Immediate Release June 30, 1999

STATEMENT BY THE PRESS SECRETARY

The President and First Lady recognize that these past few years have been very difficult ones for Webb and Suzy Hubbell, and they hope that this resolution will allow the Hubbells to move on to a brighter future.

30-30-30

STATEMENT OF WEBB HUBBELL

AFTER FIVE YEARS, IT'S OVER. THE OFFICE OF INDEPENDENT COUNSEL HAS FINALLY AGREED TO LEAVE ME, MY FAMILY, AND MY FRIENDS ALONE, AND OUR LIVES CAN BEGIN AGAIN. FOR THE FIRST TIME IN FIVE YEARS I AM NOT UNDER CRIMINAL INVESTIGATION; AND EVEN MORE IMPORTANT, MY WIFE AND MY FRIENDS ARE NO LONGER IN JEOPARDY.

FOR THIS, I AGREED TO PLEAD GUILTY TO ONE COUNT OF THE MOST RECENT INDICTMENT, IN THAT I FAILED TO DISCLOSE A POTENTIAL CONFLICT OF INTEREST TO THE FDIC IN A CASE IT HIRED ME TO HANDLE AT THE ROSE LAW FIRM OVER TEN YEARS AGO. I ALSO AGREED TO ENTER A CONDITIONAL PLEA TO A TAX MISDEMEANOR, IN THAT I FAILED TO MAKE PAYMENTS TOWARD MY ENORMOUS TAX DEBT WHEN I WAS IN PRISON.

THE MEDIA REPORTED YESTERDAY THAT I AGREED TO PLEAD GUILTY TO LYING TO REGULATORS TO COVER UP MRS. CLINTON'S INVOLVEMENT IN THE IDC/CASTLE GRANDE REAL ESTATE TRANSACTION. THAT IS ABSOLUTELY NOT TRUE. MRS. CLINTON DID NOTHING WRONG IN CONNECTION WITH THAT OR ANY OTHER TRANSACTION; AND WHAT I PLEADED TO HAS NOTHING TO DO WITH MRS. CLINTON, OR CASTLE GRANDE, OR THE FAILURE OF MADISON GUARANTY SAVINGS AND LOAN ALL OF THOSE CHARGES AGAINST ME ARE FALSE, AND THEY HAVE NOW BEEN DISMISSED FOR GOOD.

I RECENTLY ANSWERED LIMITED QUESTIONS BY THE INDEPENDENT COUNSEL'S OFFICE. THAT PROCESS HAS NOW BEEN COMPLETED. I TOLD THE OFFICE OF INDEPENDENT COUNSEL, AS I TOLD THEM FIVE YEARS AGO, THAT I

HAD NO KNOWLEDGE OF ANY WRONGDOING ON THE PART OF MRS. CLINTON OR THE PRESIDENT.

I AM EXTREMELY GRATEFUL TO MY LAWYERS JOHN NIELDS, LAURA SHORES, PETER ROMATOWSKI, STEPHEN BYERS AND MARK MATTHEWS, AND THEIR FIRMS, HOWREY & SIMON AND CROWELL & MORING.

BECAUSE OF THEIR HARD WORK, I AM ABLE TO SAY THAT FINALLY, IT'S OVER FOR EVERYONE. AS OF THIS MOMENT, LIFE BEGINS AGAIN.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIM. NOS. 98-0394 (JR)
	)	98-0151 (JR)
	)	
WEBSTER L. HUBBELL,	)	
	)	
Defendant.	)	

PLEA AGREEMENT

The United States, by and through the Office of the Independent Counsel, and Defendant Webster L. Hubbell, by and through the undersigned counsel, pursuant to Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure, have entered into this plea agreement ("Agreement"). If the Court refuses to accept this Agreement and the Defendant's guilty pleas as set forth below, this Agreement and his guilty pleas shall become null and void and neither party will be bound thereby. The terms and conditions of this Agreement are as follows:

1. Defendant Webster L. Hubbell agrees to plead guilty to Count 1 in United States v. Webster L. Hubbell, Cr. No. 98-0394, D.D.C.; and agrees to plead guilty to a one count Superseding Criminal Information in United States v. Webster L. Hubbell, Cr. No. 98-0151, D.D.C., filed with this Agreement, subject to the conditions set forth in paragraph 5 below.

2. Count 1 in Cr. No. 98-0394, a felony, charges Defendant Hubbell with concealing by scheme material facts from the Federal Deposit Insurance Corporation (FDIC) and the Resolution Trust Corporation (RTC), in violation of 18 U.S.C. § 1001. Defendant agrees to withdraw his previous plea of not guilty and to enter a plea of guilty with respect to Count 1 only of Indictment Cr. No. 98-0394. The parties understand that the Defendant will admit that during the pendency of the *Frost* case, he knowingly failed to disclose to the FDIC and RTC by scheme a material fact which Defendant had a duty to disclose, namely, that during the pendency of the *Frost* case, the Rose Law Firm represented Precision Industries, a company whose president and part owner, Jimmie D. Alford, was a defendant in the *Frost* case, as alleged in Paragraph 69(1) of Indictment Cr. No. 98-0394. The parties further understand that, had this case proceeded to trial, the Government was prepared to introduce evidence on Count 1 beyond that described in Paragraph 69(1) of the Indictment. The maximum penalty for this offense is a term of five years of imprisonment, a fine of $250,000, or an alternative fine based on gain or loss, any restitution ordered by the Court, a mandatory special assessment, and a three year period of supervised release.

3. The Superseding Criminal Information charges Defendant Hubbell with a misdemeanor for willful failure to pay a tax, in violation of 26 U.S.C. § 7203. Subject to the conditions in

paragraph 5 below, Defendant agrees to enter a plea of guilty on Count 1 of the Superseding Criminal Information on the ground that he willfully failed to pay a portion of the tax due and owing. The maximum penalty for this offense is one year of imprisonment, a fine of $100,000, or an alternative fine based on gain or loss, any restitution ordered by the Court, a mandatory special assessment, the costs of prosecution, and a one year period of supervised release.

4. The Court may, pursuant to § 5E1.2 of the Sentencing Guidelines and Policy Statements, order the Defendant to pay a fine sufficient to reimburse the government for the costs of probation, if any is ordered.

5. In exchange for Defendant Hubbell's pleas of guilty to Count 1 of Indictment Cr. No. 98-0394 and Count 1 of the Superseding Criminal Information Cr. No. 98-0151, the United States agrees that it:

(a) will dismiss with prejudice the remaining counts of Indictment Cr. No. 98-0394 at the time of sentencing;

(b) will dismiss with prejudice, at the time of Defendant Hubbell's sentencing, the Indictment in Cr. No. 98-0151, D.D.C., as to Defendants Suzanna W. Hubbell, Michael C. Schaufele and Charles Owen;

(c) will not further criminally prosecute or investigate the Defendant, nor refer the Defendant to the Department of Justice for prosecution or investigation of any offenses arising out of the Independent Counsel's investigations; and

(d) intends to petition the Supreme Court for a writ of certiorari in United States v. Webster L. Hubbell, et al., No. 99-3044, concerning the Court of Appeals' decision with regard to act of production immunity. If certiorari is not sought or is denied, the United States agrees to move to vacate Defendant Hubbell's judgment of conviction on the Superseding Criminal Information and agrees to dismiss with prejudice the Indictment and the Superseding Criminal Information in Cr. No. 98-0151 against Defendant Hubbell. If certiorari is granted and the Supreme Court resolves the case in a manner such that it fails materially to improve the United States' position to the point that it is reasonably likely that Defendant Hubbell's act of production immunity does not pose a significant bar to his prosecution, the United States will move to vacate Defendant Hubbell's judgment of conviction on the Superseding Criminal Information and will move to dismiss with prejudice the Indictment and the Superseding Criminal Information in Cr. No. 98-0151 against Defendant Hubbell.

If certiorari is granted and the Supreme Court resolves the case in a manner that materially improves the United States' position to the point that it is reasonably likely that Defendant

Hubbell's act of production immunity does not pose a significant bar to his prosecution, then the United States will not move to vacate Defendant Hubbell's judgment of conviction under the Superseding Criminal Information. The United States will, however, then move to dismiss with prejudice the Indictment in Cr. No. 98-0151 against Defendant Hubbell.

6. Pursuant to Fed. R. Crim. P. 11(e)(1)(C), the United States and the Defendant agree that the Defendant's sentence will not include incarceration.

7. The parties further recommend that the Court make the finding required by Sentencing Guidelines § 6B1.2(a) that the Court is satisfied either that the agreed sentence is within the applicable Guideline range or departs from the applicable range for justifiable reasons. Pursuant to Sentencing Guidelines § 6B1.2(c) and Fed. R. Crim. P. 11(e)(1)(C), this Agreement includes specific sentences calculated as follows:

I. Count 1, Indictment Cr. No. 98-0394:

A. Offense Level

1. Base offense level 6, pursuant to Guidelines § 2F1.1(a);

2. No upward adjustment for loss, pursuant to Guidelines § 2F1.1(b)(1);

3. To the extent that a 2 level upward adjustment for more than minimal

planning is warranted pursuant to Guidelines § 2F1.1(b)(2)(A), it is offset by the downward departure based on factors not adequately taken into account by the Sentencing Guidelines as set forth in subparagraph 7 below;

4. No adjustment because the offense did not substantially jeopardize the safety and soundness of a financial institution, pursuant to Guidelines § 2F1.1(b)(7)(A);

5. No adjustment for obstruction of justice or abuse of position of trust because such factors did not significantly facilitate the commission or concealment of the instant offense, pursuant to Guidelines §§ 3C1.1 and 3B1.3, respectively;

6. A 2 level downward adjustment for acceptance of responsibility upon execution of this Agreement and entry of the guilty plea pursuant to Guidelines § 3E1.1(a); and

7. An additional 2 level downward departure, pursuant to Guidelines § 5K2.0, based on factors not adequately taken into account by the Sentencing Guidelines, namely, Defendant's agreement to plead guilty more than a month before trial; the resolution of two complex cases in lieu of trial, thereby permitting the government and the Court to allocate their resources to other matters; and the strong governmental and public interest in concluding matters as expeditiously as possible.

The parties agree that no further downward or upward departure from that set forth above is warranted. The adjusted offense level is therefore no higher than 4.

B. Criminal History Category and Sentencing Range

Based upon the calculations set forth above and the Defendant's Criminal History Category, the sentencing range is 0-6 months. Pursuant to Fed. R. Crim. P. 11(e)(1)(C), the specific sentence agreed to by the parties is a term of 1 year of probation, with no special conditions of confinement, to commence upon sentencing, no restitution, no fine, and a special assessment of $100. The parties agree that no restitution is appropriate because there was no loss to the Government as a result of the offense. The parties also agree that no fine is appropriate on this Count for the reasons set forth in paragraph 8 below.

II. Count 1, Superseding Criminal Information, Cr. No. 98-0151.

A. Offense Level

1. The parties agree that within the period covered by the Superseding Criminal Information, the Defendant had a duly assessed tax liability due and owing to the Internal Revenue Service in excess of $500,000;

2. The parties also agree that after the time of Defendant's sentencing (June 1995) in United States v. Webster L. Hubbell, No. LR-CR-94-241 (E.D. Ark.) ("Hubbell I") his debts, including his tax liabilities from Hubbell I, substantially exceeded his assets, and that subsequent to Defendant Hubbell's sentencing in Hubbell I, the Defendant was unable to pay the full amount due and owing. Accordingly, the amount the Defendant willfully failed to pay is a figure lower than the assessed amount due;

3. The parties agree that the amount the Defendant willfully failed to pay is difficult to ascertain with certainty and is to some degree subjective. In addition, it is unclear to what extent the Court in Hubbell I included some portion of that underlying tax liability for sentencing purposes. The parties agree, however, that the combination of an adjustment for acceptance of responsibility and a downward departure on the ground described in subparagraph 4 below yields an offense level of no higher than 4;

4. The parties agree that a downward departure pursuant to Guidelines § 5K2.0 is warranted in this case based on factors not adequately taken into account by the Sentencing Guidelines, namely, the unusual circumstances of these two cases, including the following:

(a) The Court of Appeals' decision in No. 99-3044 concerning act of production immunity creates considerable uncertainty whether, based on the legal standards announced by the Court of Appeals, the United States would prevail in further proceedings in the District Court on Defendant's Motion to Dismiss;

(b) The resolution of two complex cases in lieu of trial, thereby permitting the government and the Court to allocate their resources to other matters; and the strong governmental and public interest in concluding matters as expeditiously as possible; and

5. The parties also agree that no adjustment for grouping is appropriate with respect to this plea and that no further downward or upward departure from that set forth above is warranted. The adjusted offense level is therefore no higher than 4.

B. Criminal History Category and Sentencing Range

Based upon the calculations set forth above and the Defendant's Criminal History Category, the sentencing range is 0-6 months. The specific sentence, agreed to by the parties, pursuant to Fed. R. Crim. P. 11(e)(1)(C), is a term of 1 year of probation with no special conditions of confinement, to commence upon sentencing, no restitution, no fine, and a special assessment of $25. The parties agree that no fine or restitution is appropriate on this Count for the reasons set forth in paragraph 8 below.

8. The parties agree that no fine is appropriate in view of the fact that the Internal Revenue Service asserts taxes, penalties and interest owing from the Defendant in excess of $761,123.15, and that the Defendant has substantial other debts and no substantial assets or substantial source of income. The Defendant agrees to use his best efforts to work with the Internal Revenue Service in a cooperative fashion to make reasonable payments toward his tax liability given the financial resources available to him.

Prior to sentencing, Defendant Hubbell agrees to pay $125 in special assessments.

9. Pursuant to Guidelines § 6A1.1, the parties jointly recommend that the Court direct that no Presentence Investigation and Report be made and that the Court proceed to sentencing immediately upon the entry of the guilty pleas. Defendant and the United States recommend that the Court make a finding pursuant to Fed. R. Crim. P. 32(b)(1)(A)&(B) that in light of the Presentence Report from Hubbell I, the length of the investigation in these matters, the previous proceedings before this Court between Defendant and the United States, the factual record developed in the preliminary proceedings and motions in these matters, and in the interests of all parties and judicial economy and finality, the Court has information sufficient to

exercise its sentencing authority meaningfully without a Presentence Investigation and Report. However, should the sentencing judge defer the decision whether to accept or reject this Agreement, pursuant to Fed. R. Crim. P. 11(e)(2), until after there has been an opportunity to consider a Presentence Investigation and Report, nothing in this Agreement limits the rights of the parties to answer any inquiries from the United States Probation Office or the Court.

Nothing herein shall limit or in any way waive or release any civil claim, demand or cause of action, whatsoever, of the United States or its agencies relating to the conduct of the Defendant in this case. This Agreement is limited to matters within the jurisdiction of the Independent Counsel, and cannot bind other federal, state, or local prosecuting, administrative, or regulatory authorities except as to the matters set forth in this Agreement.

Nothing in this Agreement shall limit the Internal Revenue Service, as provided by law, in its assessment and collection of said taxes, interest, or penalties from the Defendant.

10. The parties acknowledge and agree, pursuant to Fed. R. Crim. P. 11(e)(4), that if the Court rejects this Agreement, the Court shall, on the record, inform the parties of this fact, advise the Defendant personally in open court, or, on a showing of good cause, in camera, that the Court is not bound by the Agreement, afford the Defendant the opportunity then to withdraw

the pleas, and advise the Defendant that if the Defendant persists in his guilty pleas the disposition of the case may be less favorable to the Defendant than that contemplated by this Agreement. Nothing in this Agreement waives the Defendant's rights under Fed. R. Crim. P. 11(e)(6) or Fed. R. Evid. 410.

11. With respect to the Defendant's post-incarceration period of supervision arising from United States v. Webster Lee Hubbell, No. LR-CR-94-241 (E.D. Ark.), the United States agrees that the offenses charged in Count 1 of Indictment Cr. No. 98-0394 and Superseding Criminal Information Cr. No. 98-0151 occurred prior to that supervision. In the event a violation proceeding is commenced by the United States Probation Office on the basis of these guilty pleas, the United States will recommend to the Court that such supervision be restored with no additional sanction.

12. This written agreement constitutes the complete agreement between the United States and the Defendant. The United States has made no promises or representations except as set forth in writing in this Agreement. The Defendant acknowledges that no threats have been made against the Defendant and that the Defendant is pleading guilty freely and voluntarily because the Defendant is guilty. Any modification of this Agreement shall be valid only as set forth in writing in a supplemental or revised plea agreement signed by all parties.

13. Defendant's Signature: I hereby agree that I have consulted with my attorney and fully understand all rights with respect to the pending matters. Further, I fully understand all rights with respect to the provisions of the Sentencing Guidelines and Policy Statements which may apply in my case. I have read this Agreement and carefully reviewed every part of it with my attorney. I understand this Agreement and I voluntarily agree to it.

Date: June 25, 1999

W. Hubbell
WEBSTER L. HUBBELL
Defendant

14. Defense Counsel Signature: I am counsel for the Defendant in this case. I have fully explained to the Defendant the Defendant's rights with respect to the pending matters. Further, I have reviewed the provision of the Sentencing Guidelines and Policy Statements and I have fully explained to the Defendant the provisions of those Guidelines which may apply in this case. I have carefully reviewed every part of this plea agreement with the Defendant. To my knowledge, the Defendant's decision to enter into this Agreement is an informed and voluntary one.

Date: June 25, 1999

John W. Nields Jr.
JOHN W. NIELDS, JR.
Counsel for Defendant

This Agreement executed on this 25th day of June, 1999.

Respectfully submitted,

Kenneth W. Starr by RWR

KENNETH W. STARR
Independent Counsel

Robert W. Ray

Robert W. Ray
Senior Litigation Counsel

David G. Barger

David G. Barger
Associate Independent Counsel

AGREED AND CONSENTED TO:

Date: June 25, 1999

W. Hubbell

WEBSTER L. HUBBELL
Defendant

Date: June 25, 1999

John W. Nields Jr.

JOHN W. NIELDS, JR., ESQ.
Counsel for Defendant

Date: June 25, 1999

Peter J. Romatowski

PETER J. ROMATOWSKI, ESQ.
Counsel for Defendant

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	
v.	)	CRIM. NO.98-0151 (JR)
	)	
	)	COUNT ONE
	)	(Willful failure to pay
WEBSTER L. HUBBELL,	)	tax, 26 U.S.C. § 7203)
Defendant.	)	

SUPERSEDING CRIMINAL INFORMATION

The United States by and through the Independent Counsel charges:

Count One

During the calendar years 1989-1992, 1994-1995, WEBSTER L. HUBBELL, the Defendant, had and received taxable income, on which taxable income there was due and owing to the United States of America, substantial income taxes. Defendant Hubbell was required by law on or before April 15, unless there was an extension, of each succeeding year, to pay the income taxes to the Internal Revenue Service for the preceding year. Between in or about December 1995 and October 1996, in the District of Columbia and elsewhere, including the District of Arkansas, WEBSTER L. HUBBELL, the Defendant, did knowingly and willfully fail to pay to the United States Department of the Treasury, Internal Revenue Service, a portion of the taxes due and owing, for Webster L. Hubbell for the calendar years 1989-1992, 1994-1995, in violation of Title 26, United States Code, § 7203.

Kenneth W. Starr by DaB Rs
KENNETH W. STARR
INDEPENDENT COUNSEL

1ST STORY of Level 1 printed in FULL format.

JUNE 30, 1999, WEDNESDAY - 14:30 Eastern Time

SECTION: IN THE NEWS

LENGTH: 2141 words

HEADLINE: PRESS CONFERENCE WITH
INDEPENDENT COUNSEL KENNETH STARR,
ASSISTANT UNITED STATES ATTORNEY DAVID BARGER,
AND ASSISTANT UNITED STATES ATTORNEY ROBERT RAY
TOPIC: PLEA AGREEMENT WITH
WEBSTER HUBBELL
WASHINGTON, D.C.

BODY:

(Note: The press conference was fed in progress.)

MR. STARR: (In progress) -- the proceedings have concluded, and I want to introduce my two colleagues Bob Ray, who's an assistant United States attorney from New York, from the Southern District of New York, who represented the United States in connection with the first indictment, Count 1, which was at issue today, and then David Barger, who's an assistant United States attorney from the Eastern District of Virginia, who represented us in connection with the tax case. So let me first call on Bob and then David. MR. RAY: Thank you. Today Webster Hubbell, the defendant, in a matter within the jurisdiction of the FDIC and RTC, pleaded guilty that he concealed by scheme material facts related to the defendant's relationship with Madison Guaranty, as was alleged in Count 1 of the indictment. The remaining charges with respect to Counts 2 through 15 of that indictment were dismissed, but the government was prepared to prove, had this case gone to trial, all of the factual allegations in connection with Count 1 of the indictment.

And with respect to the tax charges, Mr. Barger will speak to those.

MR. BARGER: Thank you. Good afternoon.

Today Mr. Hubbell pled guilty to willfully failing to pay a portion of his income tax liabilities, some of which arose out of his earlier criminal activity with the Rose -- at the Rose Law Firm, some of which also arose from tax returns that he filed subsequent to that activity. Today's disposition allows the government to continue its litigation to pursue the important governmental interests with the Supreme Court concerning the act of production immunity. So I believe both Mr. Hubbell's and the government's interests have been adequately preserved in this -- with this disposition.

Thank you.

Q Mr. Starr, in open court you talked about the fact that you want to bring this to a reasonable -- a prompt and reasonable conclusion. Are you saying, sir, that the investigation is over and you're moving on to your report?

MR. STARR: Well, I was making a general point that I think was especially powerful in connection with this part of our investigation. This was part of the Arkansas phase of our investigation, since the under- -- (brief audio break) -- related to relationships in Arkansas.

MORE

And there was an investigation in both Little Rock and then ultimately here in Washington, D.C.

But there are still, while we're trying to complete the entirety of our work, two aspects of our investigation that are in fact ongoing. We are mindful of the expiration of the statute, and we're seeking to bring matters to an orderly completion, whatever that completion may be, which, as I said in my testimony two months ago, could include discussions -- could include discussions with the Justice Department.

Q Sir, are Bill or Hillary Clinton in any legal jeopardy at this point?

MR. STARR: That I can't comment on.

Q But sir --

Q What outcome?

Q I need to, if I can, pin this down. You say that there are matters still being investigated? You said two matters still need --

MR. STARR: I did.

Q Can you elaborate on that, sir?

MR. STARR: I cannot.

Q Is Nathan Landow one of them?

MR. STARR: I cannot -- I can't be specific because of grand jury secrecy issues. But the matters that I'm referring to are matters before the grand jury, and therefore I just cannot comment, as a matter of law.

Q Can you tell us if Nathan Landow is cleared of his -- of the investigation?

MR. STARR: I cannot comment with respect to any individual.

Q Can you clarify what exactly Webb Hubbell pleaded guilty to today, in terms of the Castle Grande indictment? Because out here his lawyer suggested it was only a piece of Count 1. Or was it, in your view, the entirety of Count 1, in which Mrs. Clinton is alluded to? MR. STARR: Right. This happens virtually every day outside federal courthouses, that there is a disposition by an individual saying, "I have committed the offense that is set forth in Count 1," and then in his or her allocutions saying, "This is what I specifically agree to."

We had this experience, for those of you who have been following the investigation, with respect to Governor Tucker and his most recent plea -- very similar set of circumstances.

But what Mr. Ray, who is a career prosecutor from the Justice Department, has told you is that the government was prepared to prove at trial each aspect of the elements and the facts, as alleged in Count 1 of the indictment, which speaks for itself, and I will not characterize it.

(Cross questions.)

Q Sir, if I may, sir --
Q You didn't require him to allocute to each aspect of Count 1.
MR. STARR: And it would be somewhat unusual to ask someone to allocute to all factual allegations that the government is prepared to prove and that the grand jury has found probable cause to believe is in fact the case.
MORE

So it's not simply what the prosecution believes it's prepared to prove, it's what a grand jury has determined there is probable cause to believe that that exists.
Q So is he correct, then, when he says, "All I pleaded guilty to was this part"?
MR. STARR: What he -- no. What he pled guilty to was Count 1 of the indictment. And his allocution, which he must do in order for the judge to determine whether to accept the plea, was with respect to the matters set forth in paragraph 69 of the indictment.
Q We assume, Mr. Starr, that you brought the 15-count indictment because you expected to get guilty verdicts. Was the decision to let him walk and accept a guilty plea a political one?
MR. STARR: (Chuckles.) The decision was a professional judgment that we came to, and which I described in my comments in court, including --
Q Was it a professional decision based on the fact that you didn't think a jury would convict?
MR. STARR: I did not say that. What I said was a professional judgment that was informed by the -- what I believe to be the profound interest in finality; to bring matters to a conclusion as promptly as possible. But also, what I indicated is that recent experience has indicated to us that it is extraordinarily difficult to identify and find jurors who are able to set aside totally their understandings and preconceptions, and the like, and that it has been a difficult strain on the administration of justice in recent months by virtue of this process of extraordinary attention to these matters, and has made it exceedingly difficult for the administration of justice to be carried on in an orderly way.
And so under those circumstances, we came to the professional judgment that if an individual from high office was willing to enter a plea of guilty to a felony, and recognizing his responsibility with respect to his relationship to federal agencies -- the Federal Deposit Insurance Corporation and the Resolution Thrift Corporation, which were charged with investigating matters, and then which referred the results of their investigation to our office for further investigation -- evaluation and investigation. And we, thereafter, presented these matters to a grand jury, first in Little Rock and then here, which, as I say, returned the indictment, which has now been dismissed. And may I also say that one of the things that is eminently clear in terms of the interests and finality, and you heard it very powerfully from Mr. Hubbell, is that these matters have been going on for a considerable period of time and it is in the public interest, we believe, to find an appropriate and, we believe, just disposition of these matters and to try to bring our work to as orderly a conclusion as possible.

Q Sir, there's a public record -- if I could ask you, sir -- (audio break) -- count one. Doesn't that allege that in fact he hid material facts concerning representation of the Castle Grande matter. Was that also included in count one?
MR. STARR: Count one speaks for itself, and I don't want to characterize, but a reading of count one will describe a series of events over a period of years with respect to his relationship to the federal regulatory agencies that then

investigated and provided criminal referrals to us.
Q Including, sir, Castle Grande?
MR. STARR: Yes.
Q Were you saying -- you mentioned the overwhelming public interest in finality and wrapping this up. Does that mean you'll increase your cooperation with the Maryland prosecutor against Linda Tripp? (Laughter.)
MR. STARR: Well, we have been carrying on our work, mindful of the need to communicate with and to respond to requests from other interested agencies of government. We have done that, we did that in Little Rock throughout, but we also have to assess in each instance what is our obligation, what is the appropriateness of furnishing particular materials. And we make these judgments in a professional and collaborative way just depending on all the circumstances.
Q You referred in your court talk to a final report. Before the independent counsel law which expires tonight was amended, a person in your position was obliged to report on everyone investigated, even though unindicted. That requirement has been deleted by amendment. Can you tell us what your interpretation is as to whether you are permitted to do so?
MR. STARR: Well, I think that there is, under the statute, still a final report requirement, but I think Congress was mindful, and I've said this in my testimony before the Senate, of the basic fairness considerations attendant to a report that a prosecutor issues and which may make allegations and charges which are extraordinarily difficult to respond to, if not impossible to respond to on the part of the individual.
And so what I think Congress sought to do was to strike a balance between reporting and providing accountability to the American people about the work of a particular independent counsel's office and at the same time being fair and respecting the rights and dignity of individuals who may be caught up.

So it is going to be a judgment call as to what the appropriate kind of report is. And we are in the process of evaluating that. But first things first; we want to carry on and conclude all remaining aspects of our investigation.
Q Is the Whitewater aspect of the investigation finished, the Arkansas part? Can you say for sure that that part is done?
MR. STARR: That part was embodied in today's proceedings, and that part has been concluded by today's activities.
Q Sir, in court, were you saying that you tried to get the Justice Department to take over one or two of the counts that you dealt with?
MR. STARR: Well, let me clarify that. We -- I believe, as I indicated in my testimony -- have a duty, an obligation to be consulting with the Justice Department with respect to various and sundry aspects of our work that, in our judgment, we should raise with them.
And I must say, I have had from the outset, the most cordial and professional relationships with the career prosecutors and very senior career people in the Justice Department. And I continue to value that relationship and look forward to continuing those discussions.
But what I felt that the court should know, in the interest of disclosure, was that there had in fact been a "preliminary" -- as I put it -- "discussion," which did not bear fruit. And we proceeded along the lines that you have seen today.
Thank you very much.
END

LANGUAGE: ENGLISH