

**NLWJC - Kagan**

**Counsel - Box 031 - Folder 001**

**Whitewater Document Request I [5]**

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001(a). letter	Letter from Leslie Berger to Jane Sherburne. (1 page)	01/23/1996	P5
001(b). fax	Fax copy of handwritten notes. (8 pages)	01/23/1996	P5
002. fax	Fax copy of memorandum from James M. Lyons to Vince Foster et al. Re: Pending matters. (1 page)	01/27/1993	P5
003. email	From bew to kmz3 et al. Re: hello. (2 pages)	01/20/1996	P5
004. letter	From Robert L. Jones to David E. Kendall, Esquire. (2 pages)	07/14/1994	P5
005. memo	Memorandum to William H. Kennedy, III from Carolyn Huber. (9 pages)	11/12/1993	P5
006. letter	Letter from James S. McDonald to President William J. Clinton and Hillary Clinton. (1 page)	10/14/1993	P5

**COLLECTION:**

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

**FOLDER TITLE:**

Whitewater Document Request I [5]

2009-1006-F

vz133

**RESTRICTION CODES**

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

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

- 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]

- 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]

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.

**ZUCKERMAN, SPAEDER, GOLDSTEIN, TAYLOR & KOLKER  
1201 CONNECTICUT AVENUE, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 778-1800  
FAX: (202) 822-8106**

**FACSIMILE TRANSMISSION  
COVER SHEET**

**TO:** Jane Sherburne  
Counsel's Office  
The White House

**FAX NO.** 202-456-1213

**FROM:** Leslie M. Berger

**CLIENT NO.** 5704.001

**DATE:** January 23, 1996

**NO. OF PAGES -** Cover sheet plus 11

**If you experience any problems in receiving this transmission, please call Michelle Bogovich at 202-778-1819.**

\*\*\*\*\*

*Mac -  
over - will p*

**This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone.**

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001(a). letter	Letter from Leslie Berger to Jane Sherburne. (1 page)	01/23/1996	P5

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

### FOLDER TITLE:

Whitewater Document Request I [5]

2009-1006-F

vz133

### 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]

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001(b). fax	Fax copy of handwritten notes. (8 pages)	01/23/1996	P5

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

### FOLDER TITLE:

Whitewater Document Request I [5]

2009-1006-F

vz133

### 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

October 23, 1995

MEMORANDUM FOR ALL STAFF OF THE WHITE HOUSE OFFICE,  
OFFICE OF THE VICE PRESIDENT AND  
EXECUTIVE RESIDENCE

FROM: JANE C. SHERBURNE *JCS*  
SPECIAL COUNSEL TO THE PRESIDENT

DAVID B. FEIN *DF*  
ASSOCIATE COUNSEL TO THE PRESIDENT

RE: Document Request from the Senate Special Committee

The Senate Special Committee to Investigate Whitewater has requested certain additional White House records in connection with its work. Accordingly, please review your records ("memoranda, correspondence, notes, and records in any other medium, including drafts of any of the foregoing"), as well as your computer files, and retrieve documents dated or prepared as of March 4, 1994 (even if you came into possession of such documents on or after March 4, 1994) that reflect, refer or relate to:

1. "the operations, solvency, and regulation of Madison Guaranty Savings & Loan Association ("Madison"), and any subsidiary, affiliate, or other entity owned or controlled by Madison;
2. "the activities, investments, and tax liability of Whitewater Development Corporation ("Whitewater") and, as related to Whitewater, of its officers, directors, and shareholders;
3. "the Rose Law Firm's representation of Madison or its representation of the RTC with regard to Madison;
4. "the handling by the RTC, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Savings and Loan Insurance Corporation of civil or administrative actions against parties regarding Madison;

- 2 -

5. "the sources of funding and lending practices of Capital Management Services, Inc., and its supervision and regulation by the Small Business Administration, including any alleged diversion of funds to Whitewater;
6. "the bond underwriting contracts between ADFA and Lasater & Company; and
7. "the lending activities of Perry County Bank, Perryville, Arkansas, in connection with the 1990 Arkansas gubernatorial election."

Please provide any records that fall within the categories described above to Associate Counsel David Fein (OEOB Room 128) by Wednesday, October 25, 1995. If you have sent records that may contain responsive material to the Office of Records Management, please let us know and we will ask ORM to search the material. If you believe you have responsive material but are unable to retrieve it by October 25, or if you have any questions about this request, please contact Jane Sherburne (6-5116) or David Fein (6-6219).

Staff members from the following offices within the White House Office may disregard this request:

Cabinet Affairs  
Correspondence  
Fellowships  
Management and Administration  
National AIDS Policy  
Office of Policy Development  
Political Affairs  
Presidential Personnel  
Public Liaison  
Scheduling and Advance  
Usher's Office

Thank you again for your cooperation.

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

23-Jan-1996 02:08pm

TO:           Karen L. Hancox  
FROM:         Eric Eve  
              Office of Political Affairs  
  
SUBJECT:     Document Search

Karen,  
I have searched my files and have not discovered any documents relating to Whitewater.

Elena —  
To keep with  
the others...  
Hi

THE WHITE HOUSE

WASHINGTON

January 20, 1996

MEMORANDUM FOR EXECUTIVE OFFICE OF PRESIDENT STAFF

FROM: JANE SHERBURNE *JS*  
Special Counsel to the President

ELENA KAGAN *EK*  
Associate Counsel to the President

SUBJECT: SUBPOENA FOR DOCUMENTS

We have received a subpoena from the Independent Counsel in the Whitewater matter for certain materials described below. Please provide any materials -- including documents, records, phonelogs, notes, computer records, letters, and telefax materials -- that are responsive to the paragraph below to **Elena Kagan, OEOB Room 125, by 5:00 p.m. on Monday, January 22, 1996.**

Any and all documents and/or communications referring or relating to the location, efforts to locate, production, efforts to produce, whereabouts, or existence of documents referring or relating to: (a) legal representation provided by, legal work performed by, or Rose Law Firm compensation allocated to Hillary Rodham Clinton; or (b) legal representation provided to or legal work performed for Madison Guaranty Savings & Loan.

It is extremely important that staff members conduct a thorough search for documents by the end of the business day. Each Assistant to the President or Department head should ensure that his or her staff members conduct such a search.

If you believe you may have responsive documents but cannot locate them by 5:00 p.m., please contact Elena Kagan (6-7594) immediately.

*Nothing  
B-u*

LINDSEY, BRUCE R.  
WHITE HOUSE OFFICE

GENERAL COUNSEL

WH

2FL/WW

0122-131M

*Read & labaton by DEK - not sent*

STATEMENT OF DAVID E. KENDALL

January 12, 1996

The January 30, 1986 Madison-IDC bill was prepared at the end of the law firm's fiscal year. It appears to reflect an adjustment for work performed in prior months and through the end of January by Mrs. Clinton and other Rose Law Firm attorneys that had not yet been entered in the computer billing system. Rose Law Firm attorneys at times did not submit time entries, for work actually done, for entry in the computerized billing system in time for inclusion in a bill.

*Tau -  
non-resp*

THE WHITE HOUSE  
WASHINGTON

January 13, 1995

BY MESSENGER

Mr. Mark Tuohey  
Assistant to the Independent Counsel  
1001 Pennsylvania Avenue, N.W.  
Suite 490N  
Washington, D.C. 20004

Re: Production of Additional Foster Documents

Dear Mark:

Enclosed are additional documents responding to the grand jury subpoena issued to The White House on May 4, 1994, that relate to the Foster matter. These are the documents we talked about at our December 22, 1994 meeting and that you indicated to me earlier this week you were interested in receiving. As we discussed, they were assembled in late July 1994, in response to a request by Mark Stein for additional documents beyond those initially provided in response to the May 4 subpoena. Joel Klein and Mr. Stein had agreed that the White House would hold these documents until further word from Mr. Stein.

The documents now provided were gathered in accordance with an internal memorandum to White House Office Staff dated July 20, 1994. This production includes documents, except those created by the White House Counsel's office in connection with its preparation for Congressional hearings, that satisfy the following description:

All documents in your custody, possession, or control relating to any activities or events in connection with Vincent Foster's death, or the search of his office following his death, or the disposition of any documents in his office or the safe in Mr. Nussbaum's office.

The enclosed document production log describes the source of each document.

Mr. Mark Tuohey  
January 13, 1995  
Page 2

Included within this production is a memorandum from James Dorskind, the Acting Director of Correspondence and Presidential messages (Bates # A00014) describing several categories of documents (e.g., condolence letters) that passed through that office. We do not expect that you have any interest in such documents. Do not hesitate to contact me if you have any questions about them.

Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Jane C. Sherburne". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jane C. Sherburne  
Special Counsel to the  
President

Enclosures

RM-Duplic

Review

cachedly -

from records  
input

MEMORANDUM FOR TERRY GOOD, DIRECTOR OFFICE OF RECORDS  
MANAGEMENT

DATE: NOVEMBER 2, 1995

FROM: WILLIAM ROBERTS  
TOM TAGGART JR. *TR*

SUBJECT: RESPONSE TO OCTOBER 31, 1995 MEMO FROM JANE C.  
SHERBURNE AND DAVID FEIN - DOCUMENT SUBPOENA FROM THE SENATE  
SPECIAL COMMITTEE

MOST OF THE MATERIAL REQUESTED IN THIS MEMO HAS BEEN  
PREVIOUSLY SEARCHED, COPIED AND SUBMITTED TO COUNSEL. FOR THE  
SAKE OF CLARITY THE ITEMS ARE ANSWERED POINT BY POINT FOR YOU TO  
RESPOND TO COUNSEL.

1) ALL MATERIAL REGARDING MADISON HAS BEEN PULLED AND SUBMITTED  
TO COUNSEL REGARDLESS OF DATES.

2) ALL WHITEWATER REFERENCES AND MATERIAL, NO MATTER HOW  
REMOTE, IN OUR FILES HAVE BEEN SUBMITTED FOR REVIEW BY COUNSEL -  
EITHER THE ACTUAL DOCUMENTS OR PRINTOUTS OF OVERSIZE  
ATTACHMENTS.

3) ANY FILE OR DOCUMENT THAT MENTIONED THE ROSE LAW FIRM HAS  
BEEN PREVIOUSLY SUBMITTED.

4) ALL RESOLUTION TRUST CASES OR FEDERAL DEPOSIT INSURANCE  
CORPORATION MATERIALS SPECIFICALLY CODED WITH AGENCY CODES  
HAVE BEEN PRINTED BY CASE ABSTRACT FOR VIEWING BY YOU OR THE  
COUNSEL'S OFFICE. A COPY OF THESE PRINTOUTS IS ATTACHED.  
(REMEMBER, IF ANY CASE MENTIONS WHITEWATER, ROSE LAW FIRM,  
MADISON, PERRY COUNTY ETC; OR ANY OF THE 56 NAMES SEARCHED AT  
VARIOUS TIMES - IT WOULD HAVE BEEN COPIED AND SUBMITTED TO  
COUNSEL PREVIOUSLY FOR THIS SENATE HEARING SEARCH) ALL DATES TO  
THE PRESENT HAVE BEEN RUN IN THE PRINTOUT. LIKEWISE, 6 DOCUMENT  
ABSTRACTS WERE PRINTED FOR A WORD SEARCH ON THE OFFICE OF  
THRIFT SUPERVISION. WORD AND WORD ADJACENT SEARCHES PRODUCED  
NO RELEVANT DOCUMENTS FOR THE FSLIC AND FEDERAL SAVINGS AND  
LOAN INSURANCE CORPORATION.

5) ALL PREVIOUS CAPITAL MANAGEMENT SERVICES SEARCHES HAVE BEEN  
SUBMITTED TO COUNSEL, WITHOUT ANY DATE LIMITATIONS.

6) ARKANSAS DEVELOPMENT FINANCE AUTHORITY (AFDA) AND LASATER  
AND COMPANY HAVE BEEN SEARCHED AND ALL RESULTS GIVEN TO  
COUNSEL.

7) PERRY COUNTY BANK, PERRYVILLE, AR HAS BEEN SEARCHED AND ALL DOCUMENTS HAVE BEEN DELIVERED REGARDLESS OF DATE.

THE RECORDS THAT CONSTITUTE STATEMENTS MADE OR ADOPTED BY THE PRESIDENT AND/OR MRS. CLINTON REFLECTING, REFERRING OR RELATING TO THE SUBJECTS SET FORTH IS TOO NEBULOUS OR UNDEFINED A SEARCH FOR OUR DEPARTMENT. THERE ARE NO INDEXES OF STATEMENTS, SPEECHES, INTERVIEWS ETC., THAT ALLOW US TO SEARCH THE BODIES OF DOCUMENTS. WE HAVE 4700 PLUS BOXES OF STAFF FILES ALONE IN OUR CUSTODY. THIS PART OF SEARCH NEEDS TO BE DEFINED WITH MORE SPECIFIC SEARCH PARAMETERS THAT HAVE DATES, REFERENCES OR MORE DETAILED MATERIAL LOCATIONS.

DUP LIC

RA

THE WHITE HOUSE

WASHINGTON

January 5, 1996

Senator Alfonse D'Amato  
United States Senate  
Washington, D.C., 20510-3202

Dear Senator D'Amato:

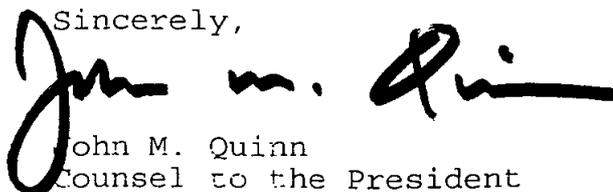
I have your letter dated earlier today regarding Mr. Kendall's delivery to you of certain Rose Law firm billing records. I am informed that these records were discovered yesterday by Ms. Carolyn Huber in her office in the East Wing of the White House where she had moved them, along with other materials, from a work room in the White House Residence.

Inasmuch as the records apparently were in the private quarters of the First Family prior to Ms. Huber's moving them and relate to work that Mrs. Clinton performed at the Rose Law Firm, your other questions regarding them should be directed to Mr. Kendall.

I do want to address your suggestion that these records have been withheld from your Committee and that the delay in providing them to you was for purposes of obstructing your inquiry. There is no basis whatsoever for that suggestion. I assure you that the White House takes very seriously the responsibilities that we have to cooperate with the Committee's lawful and reasonable inquiries and to respond to duly issued subpoenas and document requests promptly and with diligence. As you know, in the past year and a half, we have responded to dozens of requests for documents; we have produced tens of thousands of pages of documents; and we have made available scores of witnesses to explain those documents. Moreover, please bear in mind that the documents about which you are now inquiring were made available to you within hours of their discovery.

We are doing the best we can to assist you in resolving the many questions you have raised, and we will continue to cooperate in that spirit.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Quinn". The signature is written in a cursive, flowing style with a large initial "J".

John M. Quinn  
Counsel to the President

Another copy in  
DF's pkg

January 5, 1996

STATEMENT OF DAVID E. KENDALL

We are today pleased to release publicly copies of detailed billing records for the work performed by the Rose Law Firm for Madison Guaranty Savings and Loan. These records, which were discovered late yesterday, confirm what we have said all along about the nature and amount of the work done by the Rose Law Firm and Mrs. Clinton for Madison. With the public release of these records, yet another set of baseless allegations about Whitewater can now be laid to rest.

In particular, these records demonstrate that the work Mrs. Clinton performed was limited both in time and scope.

In addition, the discovery and public release of these records undermines the unsubstantiated charges that billing records consulted by the 1992 Campaign had been destroyed. On the contrary, records do exist and they provide a detailed picture of the Rose Law Firm's limited work for Madison Guaranty.

The records were discovered yesterday by Carolyn Huber, Special Assistant to the President and Director of Personal Correspondence, among correspondence, memorabilia and other materials that Mrs. Huber was cataloguing. They appear to be copies of Rose Law Firm billing records that were collected early in the 1992 Presidential campaign. The run date on the Client Billing & Payment History is February 12, 1992. The records contain handwritten notations, including xeroxes of comments that appear to have been written at the time the bills were prepared,

and other notes, written in red ink on the copy found, that appear to be Vincent Foster's.

The records have been produced to the Independent Counsel, the interested Congressional committees, and the RTC today.

The First Lady was not aware until today that these records were located in the White House.

We are committed to providing all of the information at our disposal concerning these records. This statement contains what we have been able to verify about their discovery.

THE WHITE HOUSE  
WASHINGTON

*Jane -  
duplic*

October 23, 1995

MEMORANDUM FOR ALL STAFF OF THE WHITE HOUSE OFFICE,  
OFFICE OF THE VICE PRESIDENT AND  
EXECUTIVE RESIDENCE

FROM: JANE C. SHERBURNE *JCS*  
SPECIAL COUNSEL TO THE PRESIDENT  
DAVID B. FEIN *DF*  
ASSOCIATE COUNSEL TO THE PRESIDENT

RE: Document Request from the Senate Special Committee

The Senate Special Committee to Investigate Whitewater has requested certain additional White House records in connection with its work. Accordingly, please review your records ("memoranda, correspondence, notes, and records in any other medium, including drafts of any of the foregoing"), as well as your computer files, and retrieve documents **dated or prepared as of March 4, 1994** (even if you came into possession of such documents on or after March 4, 1994) that reflect, refer or relate to:

1. "the operations, solvency, and regulation of Madison Guaranty Savings & Loan Association ("Madison"), and any subsidiary, affiliate, or other entity owned or controlled by Madison;
2. "the activities, investments, and tax liability of Whitewater Development Corporation ("Whitewater") and, as related to Whitewater, of its officers, directors, and shareholders;
3. "the Rose Law Firm's representation of Madison or its representation of the RTC with regard to Madison;
4. "the handling by the RTC, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Savings and Loan Insurance Corporation of civil or administrative actions against parties regarding Madison;

5. "the sources of funding and lending practices of Capital Management Services, Inc., and its supervision and regulation by the Small Business Administration, including any alleged diversion of funds to Whitewater;
6. "the bond underwriting contracts between ADFA and Lasater & Company; and
7. "the lending activities of Perry County Bank, Perryville, Arkansas, in connection with the 1990 Arkansas gubernatorial election."

Please provide any records that fall within the categories described above to Associate Counsel David Fein (OEOB Room 128) by Wednesday, October 25, 1995. If you have sent records that may contain responsive material to the Office of Records Management, please let us know and we will ask ORM to search the material. If you believe you have responsive material but are unable to retrieve it by October 25, or if you have any questions about this request, please contact Jane Sherburne (6-5116) or David Fein (6-6219).

Staff members from the following offices within the White House Office may disregard this request:

Cabinet Affairs  
Correspondence  
Fellowships  
Management and Administration  
National AIDS Policy  
Office of Policy Development  
Political Affairs  
Presidential Personnel  
Public Liaison  
Scheduling and Advance  
Usher's Office

Thank you again for your cooperation.

THE WHITE HOUSE  
WASHINGTON

October 30, 1995

MEMORANDUM FOR ELLEN W. MCCATHRAN

FROM: Miriam R. Nemetz *MN*

RE: Database Search

Please search your computer database for the following words or phrases:

Resolution Trust Corporation  
RTC  
Madison Guaranty  
Madison  
Whitewater Development  
Whitewater  
Office of Government Ethics  
OGE  
Rose Law Firm  
Capital Management Services  
David Hale  
Arkansas Development Finance Authority  
ADFA  
Lasater & Company  
Lasater  
Perry County

Please call me at 6-5092 or David Fein at 6-6219 if you have any questions.

January 5, 1996

STATEMENT OF DAVID E. KENDALL

We are today pleased to release publicly copies of detailed billing records for the work performed by the Rose Law Firm for Madison Guaranty Savings and Loan. These records, which were discovered late yesterday, confirm what we have said all along about the nature and amount of the work done by the Rose Law Firm and Mrs. Clinton for Madison. With the public release of these records, yet another set of baseless allegations about Whitewater can now be laid to rest.

In particular, these records demonstrate that the work Mrs. Clinton performed was limited both in time and scope.

In addition, the discovery and public release of these records undermines the unsubstantiated charges that billing records consulted by the 1992 Campaign had been destroyed. On the contrary, records do exist and they provide a detailed picture of the Rose Law Firm's limited work for Madison Guaranty.

The records were discovered yesterday by Carolyn Huber, Special Assistant to the President and Director of Personal Correspondence, among correspondence, memorabilia and other materials that Mrs. Huber was cataloguing. They appear to be copies of Rose Law Firm billing records that were collected early in the 1992 Presidential campaign. The run date on the Client Billing & Payment History is February 12, 1992. The records contain handwritten notations, including xeroxes of comments that appear to have been written at the time the bills were prepared,

January 18, 1996

Statement of David E. Kendall

Mrs. Clinton saw most of the billing records in the 1985-86 period when she was billing partner for the legal work the Rose Law Firm performed for Madison Guaranty. She recalls discussing this legal work in the spring of 1992 with Mr. Foster and Mr. Hubbell, as she sought accurately to answer press questions during the Presidential campaign about the Madison Guaranty work. It is possible they showed her the billing records then, but she does not recall.

# United States District Court

For the DISTRICT OF Columbia

TO:

The White House  
c/o Joel Klein  
Custodian of Records

## SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:

PERSON  DOCUMENTS OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE United States District Court for the District of Columbia United States Courthouse Third and Constitution Avenue, N.W. Washington, D.C. 20001	ROOM Grand Jury, Third Floor
	DATE AND TIME May 10, 1994 10:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):\*

See attached rider.

Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK JAMES W. MCCORMACK, CLERK	DATE 5/4/94 D33
(BY) DEPUTY CLERK <i>Cecilia Wood</i>	
This subpoena is issued upon application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Roderick C. Lankler Office of the Independent Counsel 1001 Pennsylvania Avenue, N.W., Suite 490N Washington, D.C. 20004 (202) 514-8688

\*If not applicable, enter "none."

To be used in lieu of AO110

FORM OBD-227  
JAN. 86

## RIDER

A. Any and all documents and/or communications written by, sent to or referring or relating to Vincent W. Foster, Jr. This includes but is not limited to any and all documents and/or communications:

1. removed from the office of Vincent Foster on or after July 20, 1993 (to the extent that any such documents have already been produced to a person or entity outside the White House, please state:

- a) to whom the documents were produced;
- b) when the documents were produced;
- c) how the documents were produced; and
- d) what specific documents were produced);

2. indices, memoranda or other documents listing, referring or relating to documents and other items maintained within the office of Vincent W. Foster, Jr.;

3. referring or relating to Vincent W. Foster, Jr. that were maintained in any safe within the offices of the White House General Counsel;

4. contained on the fixed hard drive or removable hard disk cartridges of computers used by, or in the office or work space of Vincent W. Foster, Jr. or Deborah Gorham, or contained on any floppy disk or diskette maintained by Vincent W. Foster, Jr. or Deborah Gorham; and

B. Any paging device or beeper assigned to or used by Vincent W. Foster, Jr.

## Definitions and Instructions

### 1. Definitions

a. The term "document" or "documents" as used in this subpoena means all records of any nature whatsoever within your possession, custody or control, or the possession, custody or control of any agent, employee, representative, or other person acting or purporting to act for or on your behalf or in concert with you, including but not limited to memoranda, records, reports, notes, books, files, summaries or records of conversations, meetings or interviews, summaries or records of telephone conversations, diaries, calendars, datebooks, telegrams, facsimiles, telexes, telefaxes, electronic mail, computerized records stored in the form of magnetic or electronic coding on computer media or on media capable of being read by computer or with the aid of computer related equipment, including but not limited to floppy disks or diskettes, disks, diskettes, disk packs, fixed hard drives, removable hard disk cartridges, mainframe

computers, Bernoulli boxes, optical disks, WORM disks, magneto/optical disks, floptical disks, magnetic tape, tapes, laser disks, video cassettes, CD-ROMs and any other media capable of storing magnetic coding, microfilm, microfiche and other storage devices, voicemail recordings, and all other written, printed or recorded or photographic matter or sound reproductions, however produced or reproduced.

The term "document" or "documents" also includes any earlier, preliminary, preparatory or tentative version of all or part of a document, whether or not such draft was superseded by a later draft and whether or not the terms of the draft are the same as or different from the terms of the final document.

b. The term "communication" or "communications" is used herein in its broadest sense to encompass any transmission or exchange of information, ideas, facts, data, proposals, or any other matter, whether between individuals or between or among the members of a group, whether face-to-face, by telephone or by means of electronic or other medium.

c. "Possession, custody or control" means in your physical possession and/or if you have the right to secure or compel the production of the document or a copy from another person or entity having physical possession.

d. The term "referring or relating" to any given subject means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject including, but not limited to, documents concerning the preparation of other documents.

## 2. Instructions

a. If any original document cannot be produced in full, produce such document to the extent possible and indicate specifically the reason for your inability to produce the remainder.

b. Documents shall be produced as they are kept in the usual course of business, as organized in the files.

c. File folders, labels and indices identifying documents called for shall be produced intact with such documents. Documents attached to each other should not be separated.

d. The originals of all documents and communications must be produced, as well as copies within your possession, custody or control.

e. In reading this rider, the plural shall include the singular and the singular shall include the plural.

f. The words "and" and "or" shall be construed

conjunctively or disjunctively as necessary to make the request inclusive rather than exclusive. The use of the word "including" shall be construed without limitation.

g. In the event that any document called for by this subpoena is withheld on the basis of any claim of privilege or similar claim, that document shall be identified in writing as follows: (a) author; (b) the position or title of the author; (c) addressee; (d) the position or title of the addressee; (e) any indicated or blind copies; (f) date; (g) a brief description of the subject matter of the document; (h) number of pages; (i) attachments or appendices; (j) all persons to whom the document, its contents, or any portion thereof, has been disclosed, distributed, shown or explained; and (k) present custodian. Each basis you contend justifies the withholding of the document shall also be specified. With respect to those documents or records as to which you may claim privilege, or attorneys' work product, set forth as to each such document the basis for such claim, the identity of each person who has been privy to such communication reflected in the document and whether you will submit the document to the Court for an in camera determination as to the validity of the claim.

i. In the event that any document called for by this subpoena has been lost, destroyed, deleted, altered, or otherwise disposed of, that document shall be identified in writing as follows: (a) author; (b) the position or title of the author; (c) addressee; (d) the position or title of the addressee; (e) indicated or blind copies; (f) date; (g) a brief description of the subject matter of the document; (h) number of pages; (i) attachments or appendices; (j) all persons to whom the document, its contents, or any portion thereof, had been disclosed, distributed, shown or explained; (k) the date of the loss, destruction, deletion, alteration or disposal and the circumstances thereof; (l) the reasons, if any, for the loss, destruction, deletion, alteration or disposal and the person or persons responsible.

j. If any information or data is withheld because such information or data is stored electronically, it is to be identified by the subject matter of the information or data and the place or places where such information is maintained.

THE WHITE HOUSE  
WASHINGTON

May 11, 1994

BY HAND

Mr. Mark Stein  
Assistant to the Independent Counsel  
1001 Pennsylvania Avenue, N.W.  
Suite 490N  
Washington, D.C. 20004

Dear Mark:

Pursuant to the grand jury subpoena issued to the White House on May 4, 1994, and the subsequent discussions between us, I propose to take the following steps:

1. Circulate a memorandum to all members of the White House Office staff directing those staff members to produce for review:
  - a. all documents or files in their custody or control that were in Mr. Foster's office as of July 20, 1993;
  - b. all indices, memoranda, notes, or other similar type of documents listing, referring, or relating to documents and other items maintained in Mr. Foster's office;
  - c. all documents written by, received from, or sent to Mr. Foster relating or referring to the Whitewater Development Company, Madison Guaranty Savings and Loan, or Capital Management Services, Inc.
  
2. Review all documents that are gathered pursuant to paragraph 1 above as well as all documents that are currently under the custody and control of the White House Counsel's Office that are identifiable as documents that were in Mr. Foster's office as of July 20, 1993 (including but not limited to the electronic media referenced in ¶ A(4) of the subpoena), and produce to you:
  - a. all documents relating or referring to the Whitewater Development Company, Madison Guaranty Savings and Loan, or Capital Management Services, Inc.;

Mr. Mark Stein  
May 11, 1994  
Page 2

- b. all indices, memoranda, notes, or other similar type of documents listing, referring, or relating to documents and other items maintained in Mr. Foster's office;
- c. all documents indicating that Mr. Foster was despondent or depressed or that he was thinking about taking or intending to take his life.

If the above process is acceptable to you, please let me know and we will begin our review immediately, with the anticipation that it can be completed within a week. If you need anything priority basis before then, please let me know.

- Sincerely,



Joel I. Klein  
Deputy Counsel to the  
President

THE WHITE HOUSE  
WASHINGTON

May 12, 1994

MEMORANDUM FOR WHITE HOUSE OFFICE STAFF

FROM: JOEL I. KLEIN *JJK*  
DEPUTY COUNSEL TO THE PRESIDENT

W. NEIL EGGLESTON *WNE*  
ASSOCIATE COUNSEL TO THE PRESIDENT

RE: COMPLIANCE WITH THE MAY 4, 1994 GRAND JURY  
SUBPOENA

As was announced publicly last week, the White House has received a grand jury subpoena calling for certain records relating to Vincent W. Foster, Jr. In response to that subpoena, you are required to do the following:

I. DOCUMENTS THAT MUST BE PRODUCED

Each member of the staff of the White House Office must review any and all documents within that staff member's possession, custody, or control and produce responsive documents to the Counsel's Office. The documents that you must produce as of this time are:

1. All documents currently in your possession that were in the office of Vincent W. Foster, Jr. as of July 20, 1993.
2. Any indices, memoranda, notes or any other similar type of document listing, referring, or relating to documents and other items that were maintained by or within the office of Vincent W. Foster, Jr., while he was Deputy Counsel.
3. All documents written by, received from, or sent to Mr. Foster relating or referring to the Whitewater Development Company, Madison Guaranty Savings and Loan, or Capital Management Services, Inc.

Other documents in your possession, custody, or control relating or referring to Mr. Foster need not be produced at this time, but they must be maintained by you. (See III. below).

## II. PROCEDURES FOR COMPLIANCE WITH THE SUBPOENA

The same general procedures employed by the White House to respond to the subpoena issued in March 1994 are to be followed in responding to this subpoena.

Please be reminded that the term "document" is defined quite broadly in the grand jury subpoena, and includes handwritten notes, electronic media, faxes and the like. In addition, the subpoena sets forth certain instructions for compliance, such as the necessity to produce originals and any copies of originals in your possession. We have attached the "Definitions and Instructions" section of the subpoena for ease of reference. Please read this section carefully to ensure that you are properly complying with the subpoena.

Attached to this Memorandum is a "Statement for All White House Staff Members," which requires a certification that the staff member has searched his or her documents for responsive materials. Please return this certification and any responsive documents to Marvin Krislov of the Counsel's Office (OEOB Room 128) by the close of business on Friday, May 13, 1994.

## III. DUTY TO MAINTAIN DOCUMENTS RELATING OR REFERRING TO VINCENT W. FOSTER, JR.

On March 17, 1994, the Counsel's Office sent a memorandum directing staff members to retain all documents or computer files relating in any way to Vincent Foster. While we are not at this time requesting that all of these documents be provided to the Counsel's Office, you should be aware that the subpoena calls for "any and all documents and/or communications written by, sent to or referring or relating to Vincent W. Foster, Jr." As a result, all such documents must be maintained, and may not be destroyed.

## IV. OTHER COMPLIANCE OBLIGATIONS

As before, we assume that this subpoena imposes a continuing obligation to provide responsive documents to the grand jury. Should you discover any possibly responsive documents at any time, you should notify Mr. Krislov immediately.

If you have any doubts whatsoever about the responsiveness of any document or record, it is your obligation to notify Mr. Krislov immediately. Any questions about this matter should be directed to Marvin Krislov at extension 6-7903 or Neil Eggleston at 6-7901.

# # #

## Definitions and Instructions

### 1. Definitions

a. The term "document" or "documents" as used in this subpoena means all records of any nature whatsoever within your possession, custody or control, or the possession, custody or control of any agent, employee, representative, or other person acting or purporting to act for or on your behalf or in concert with you, including but not limited to memoranda, records, reports, notes, books, files, summaries or records of conversations, meetings or interviews, summaries or records of telephone conversations, diaries, calendars, datebooks, telegrams, facsimiles, telexes, telefaxes, electronic mail, computerized records stored in the form of magnetic or electronic coding on computer media or on media capable of being read by computer or with the aid of computer related equipment, including but not limited to floppy disks or diskettes, disks, diskettes, disk packs, fixed hard drives, removable hard disk cartridges, mainframe

computers, Bernoulli boxes, optical disks, WORM disks, magneto/optical disks, floptical disks, magnetic tape, tapes, laser disks, video cassettes, CD-ROMs and any other media capable of storing magnetic coding, microfilm, microfiche and other storage devices, voicemail recordings, and all other written, printed or recorded or photographic matter or sound reproductions, however produced or reproduced.

The term "document" or "documents" also includes any earlier, preliminary, preparatory or tentative version of all or part of a document, whether or not such draft was superseded by a later draft and whether or not the terms of the draft are the same as or different from the terms of the final document.

b. The term "communication" or "communications" is used herein in its broadest sense to encompass any transmission or exchange of information, ideas, facts, data, proposals, or any other matter, whether between individuals or between or among the members of a group, whether face-to-face, by telephone or by means of electronic or other medium.

c. "Possession, custody or control" means in your physical possession and/or if you have the right to secure or compel the production of the document or a copy from another person or entity having physical possession.

d. The term "referring or relating" to any given subject means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject including, but not limited to, documents concerning the preparation of other documents.

## 2. Instructions

a. If any original document cannot be produced in full, produce such document to the extent possible and indicate specifically the reason for your inability to produce the remainder.

b. Documents shall be produced as they are kept in the usual course of business, as organized in the files.

c. File folders, labels and indices identifying documents called for shall be produced intact with such documents. Documents attached to each other should not be separated.

d. The originals of all documents and communications must be produced, as well as copies within your possession, custody or control.

e. In reading this rider, the plural shall include the singular and the singular shall include the plural.

f. The words "and" and "or" shall be construed

conjunctively or disjunctively as necessary to make the request inclusive rather than exclusive. The use of the word "including" shall be construed without limitation.

g. In the event that any document called for by this subpoena is withheld on the basis of any claim of privilege or similar claim, that document shall be identified in writing as follows: (a) author; (b) the position or title of the author; (c) addressee; (d) the position or title of the addressee; (e) any indicated or blind copies; (f) date; (g) a brief description of the subject matter of the document; (h) number of pages; (i) attachments or appendices; (j) all persons to whom the document, its contents, or any portion thereof, has been disclosed, distributed, shown or explained; and (k) present custodian. Each basis you contend justifies the withholding of the document shall also be specified. With respect to those documents or records as to which you may claim privilege, or attorneys' work product, set forth as to each such document the basis for such claim, the identity of each person who has been privy to such communication reflected in the document and whether you will submit the document to the Court for an in camera determination as to the validity of the claim.

i. In the event that any document called for by this subpoena has been lost, destroyed, deleted, altered, or otherwise disposed of, that document shall be identified in writing as follows: (a) author; (b) the position or title of the author; (c) addressee; (d) the position or title of the addressee; (e) indicated or blind copies; (f) date; (g) a brief description of the subject matter of the document; (h) number of pages; (i) attachments or appendices; (j) all persons to whom the document, its contents, or any portion thereof, had been disclosed, distributed, shown or explained; (k) the date of the loss, destruction, deletion, alteration or disposal and the circumstances thereof; (l) the reasons, if any, for the loss, destruction, deletion, alteration or disposal and the person or persons responsible.

j. If any information or data is withheld because such information or data is stored electronically, it is to be identified by the subject matter of the information or data and the place or places where such information is maintained.

ROTHGERBER, APPEL, POWERS & JOHNSON

SUITE 3000
ONE TABOR CENTER
1200 SEVENTEENTH STREET
DENVER, COLORADO 80202
TELEPHONE (303) 623-9000
FAX (303) 623-9228

CHEYENNE, WYOMING OFFICE
SUITE 210
ONE PIONEER CENTER
2434 PIONEER AVENUE
CHEYENNE, WYOMING 82001
TELEPHONE (307) 638-8202
FAX (307) 638-8585

ROBIN R. ROMASH
JAN A. STEINHOUR
PATRICK M. FLAHERTY
BEN M. OCHOA
GERALD M. GREWE
BRIAN J. BRANG
DARRELL M. DALEY
PATRICK O. MUSTEAD
JOANN L. VOOT
KATHRYN S. KRAUBE
JAMES R. WALKER
LYNN A. STANG
PAUL J. ZILSTRA
DAVID G. BITTO
JUSTIN B. CUMMING

FRANK LOPEZ
KATHRYN S. STRIBLING
GREGORY A. VALLIN
SAMUEL M. VENTOLA
ELIZABETH E. BROWN
MARGARET M. OCHOA
KAREN L. WITT
DAVID I.C. THOMPSON
DAYLE L. KERSTING
KIMBERLEY A. SHANDLER
VALERIA N. SPENCER
JOEL A. GLOVER
SCOTT C. JOHNSON
RHONDA G. TEITELBAUM

IRA C. ROTHGERBER (1878-1956)
WALTER M. APPEL (1879-1961)

WILLIAM R. JOHNSON
JAMES M. LYONS
RICHARD K. GLARK
CHARLES GOLDBERG
TENNYSON W. GREBENAR
GREGORY L. WILLIAMS
GREGORY S. KAHAN
HERBERT K. DAVIS III
MICHAEL S. NOSLER
ROBERT S. ARTHUR, JR.
THOMAS H. YOUNG
STEPHEN T. JOHNSON
ALAN W. ANDERSON

DOUGLAS D. SCOTT
FREDERICK J. BAUMANN
J. SCOTT SWENSON
FRANKLIN D. O'DOUGHLIN
HUBERT A. FARBER, JR.
BRENT R. COHEN
MICHAEL J. GUYERSON
LAURA A. WING
PETER L. EDWARDS
GLEN A. BURBRIDGE
KRIS J. KOSTOLANSKY
CHESTER E. MARTINE, JR.
KEITH BLOCK

OF COUNSEL
IRA C. ROTHGERBER, JR.
WILLIAM S. POWERS
ROBERT S. APPEL
SPECIAL COUNSEL
CLAINE G. EDINBURG

TELECOPIER TRANSMITTAL SHEET

To: Bernie Nussbaum -AND-
Vince Foster
From: Jim Lyons
Re:
Date: January 27, 1992

Fax No. 202 456-6279
Client No. 19690-102

ADDITIONAL REMARKS:

We are transmitting 2 pages (including this page). If you have any problems receiving this fax, please contact our Services Department at (303) 623-9000, extension 321.

Thank you.

The information contained in this facsimile message and/or the document transmitted is privileged work product or otherwise confidential and intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any examination, use, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original to us at the above address by mail. Thank you.

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. fax	Fax copy of memorandum from James M. Lyons to Vince Foster et al. Re: Pending matters. (1 page)	01/27/1993	P5

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

### FOLDER TITLE:

Whitewater Document Request I [5]

2009-1006-F

vz133

### 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]

# UNITED STATES OF AMERICA

## Congress of the United States

To Williams & Connolly, 725 12th Street, NW, Washington, DC  
20005.

**Greeting:**

**Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to**  
Special Committee to Investigate Whitewater Development  
**appear before the** Committee on Corporation and Related Matters

**of the Senate of the United States, on** November 2, 19 95,  
**at** 5:00 o'clock P. m., **at their committee room** 534 Dirksen  
Senate Office Building, Washington DC 20510

**, then and there**  
**to testify what you may know relative to the subject matters under con-**  
**sideration by said committee.**

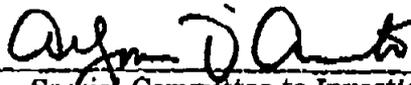
**to produce all documents specified in Attachment A, provided, however, that Attachment A does**  
**not require the production of documents and records that constitute attorney work product**  
**reflecting mental impressions, conclusions, or legal theories.**

**Hereof fail not, as you will answer your default under the pains and pen-**  
**alties in such cases made and provided.**

To Joseph Kolinski, Chief Clerk

**to serve and return.**

**Given under my hand, by order of the committee, this**  
26th day of October, **in the year of our**  
ninety five  
**Lord one thousand nine hundred and**           



**Special Committee to Investigate Whitewater Development**  
**Chairman, Committee on Corporation and Related Matters**

Non-resp  
/a

ALFONSE M. D'AMATO, NEW YORK, CHAIRMAN

PHIL GRAMM, TEXAS  
RICHARD C. SHELBY, ALABAMA  
CHRISTOPHER S. BOND, MISSOURI  
CONNIE MACK, FLORIDA  
LAUCH FAIRCLOTH, NORTH CAROLINA  
ROBERT F. BENNETT, UTAH  
ROD GRAMS, MINNESOTA  
BILL FRIST, TENNESSEE

PAUL S. SARBANES, MARYLAND  
CHRISTOPHER J. DODD, CONNECTICUT  
JOHN F. KERRY, MASSACHUSETTS  
RICHARD H. BRYAN, NEVADA  
BARBARA BOXER, CALIFORNIA  
CAROL MOSELEY-BRAUN, ILLINOIS  
PATTY MURRAY, WASHINGTON

**United States Senate**  
COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

October 30, 1995

HOWARD A. MENELL, STAFF DIRECTOR  
ROBERT J. GIUFFRÀ, JR., CHIEF COUNSEL  
PHILIP E. BECHTEL, DEPUTY STAFF DIRECTOR  
STEVEN B. HARRIS, DEMOCRATIC STAFF DIRECTOR  
AND CHIEF COUNSEL

Mr. David E. Kendall  
Williams & Connolly  
725 12th Street, N.W.  
Washington, D.C. 20005

Dear Mr. Kendall:

Enclosed please find subpoenas *duces tecum* calling for production of documents and records previously requested by the Senate Special Committee on Whitewater Development Corporation and Related Matters in letters dated August 25, 1995 and October 10, 1995. We are sending you these subpoenas because the Special Committee voted on October 26, 1995, to direct subpoenas to all persons who previously had received a letter request from the Special Committee. You will note that Attachment A to these subpoenas calls for production of the same documents and records that were requested in the Special Committee's letter requests.

Please confirm that your prior production of materials responsive to those letter requests includes all materials in your possession, custody or control responsive to the subpoenas. If all responsive materials have been produced, you need not provide additional copies of those materials to the Special Committee -- you need only confirm that all responsive materials have been produced. If you have additional responsive materials, however, you should provide them to the Special Committee on or before November 2, 1995.

We wish to emphasize that if you have already complied fully with the Special Committee's letter requests, the fact that the Special Committee has now directed subpoenas to you should not be construed as an indication of dissatisfaction with your prior response.

Thank you for your cooperation with the Special Committee.

*Paul S. Sarbanes*  
Paul S. Sarbanes  
Ranking Member

Sincerely,  
*Alfonse D'Amato*  
Alfonse D'Amato  
Chairman

enclosure

CONNIE MAZUR, OHIO  
LAUREN PAMPHILE, NORTH CAROLINA  
ROBERT F. BENNETT, UTAH  
ROD GRAMS, MINNESOTA  
BILL FRIST, TENNESSEE

GABRIELA BOSTON, CALIFORNIA  
CAROL MOSELEY-BRAUN, ILLINOIS  
PATTY MURRAY, WASHINGTON

October 26, 1995  
Subpoena  
Attachment A

enate  
ING, AND

HOWARD A. MENELL, STAFF DIRECTOR  
ROBERT J. GUFFRA, JR., CHIEF COUNSEL  
PHILIP E. BECHTEL, DEPUTY STAFF DIRECTOR  
STEVEN B. HARRIS, DEMOCRATIC STAFF DIRECTOR  
AND CHIEF COUNSEL

WASHINGTON, DC 20510-6075

October 10, 1995

By U.S. Mail and Facsimile

David E. Kendall, Esq.  
Williams & Connolly  
725 12th Street, N.W.  
Washington, D.C. 20005

Dear Mr. Kendall:

As you know, on May 17, 1995, the Senate passed Senate Resolution 120 establishing a Special Committee administered by the Committee on Banking, Housing, and Urban Affairs to conduct an investigation involving Whitewater Development Corporation ("Whitewater"), Madison Guaranty Savings and Loan Association, and any subsidiary, affiliate, or other entity owned or controlled by Madison ("Madison"), Capital Management Services, Inc. ("Capital Management"), the Arkansas Development Finance Authority ("ADFA"), and other related matters. In connection with the Special Committee's ongoing investigation, and in order to prepare for upcoming public hearings, we hereby request that you produce certain records within the possession, custody or control of Williams & Connolly to the Special Committee.

Accordingly, please provide all records, regardless of format, including, but not limited to, e-mail, electronic "dump files," memoranda, correspondence, notes, time sheets, bills, and records in any other medium, including drafts of any of the foregoing, that reflect, refer or relate to, or have any tendency to reveal the full facts about, any communication, contact or meeting, between January 20, 1993 and August 5, 1994, relating to Whitewater, Madison, Capital Management or ADFA, between:

- (i) any member or associate of Williams & Connolly, and
- (ii) any present or former employee of the White House Counsel's Office, James Blair, Erskine Bowles, Lisa Caputo, Paula Casey, Mark Gearan, Webster Hubbell, Harold Ickes, Bruce Lindsey, John Podesta, George Stephanopoulos, Ricki Seidman, Susan Thomases, Margaret Williams, or Betsey Wright.

It would be helpful if you provided a list of records that you are submitting so that the Committee and your office have a common list of the records supplied. To the extent that documents responsive to this request have been previously produced to the Committee, they need not be reproduced but only identified by Bates number. If any

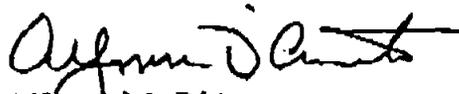
records are withheld based on the assertion of any privilege, please provide a log identifying the date, author(s), recipient(s), the subject matter of any such records, and the basis for the privilege asserted.

The records should be delivered to Joseph Kolinski, Chief Clerk, Senate Banking Committee, 534 Dirksen Senate Office Building. You may submit copies in response to this request, but the Committee reserves the right to obtain the original records. As you know, the Committee is seeking to complete its work as expeditiously as possible. Therefore, it is necessary that the Committee receive these documents by no later than October 24, 1995, and prior to that date, if possible. If you have any questions concerning this request, please have your staff contact Robert Giuffra, Majority Chief Counsel, and Lance Cole, Democratic Deputy Special Counsel, at (202) 224-7391.

We have consulted with Independent Counsel Kenneth W. Starr with regard to this document request, and the Office of Independent Counsel's investigation would not be hindered or impeded by the Committee's request for these records.

Your cooperation in this matter is appreciated.

Sincerely,



Alfonse M. D'Amato  
Chairman

cc: Senator Paul S. Sarbanes  
Ranking Member

~~CONFIDENTIAL~~

DETERMINED TO BE AN  
ADMINISTRATIVE MARKING

INITIALS: DB DATE: 7/7/08

September 27, 1995

MEMORANDUM FOR ABNER MIKVA  
JANE SHERBURNE  
MARK FABIANI  
IRA FISHMAN  
MIRIAM NEMETZ  
NATALIE WILLIAMS  
JON YAROWSKY

FROM: DAVID FEIN

SUBJECT: Request for Information

As you know, we have received document requests from the House Banking Committee and Senator D'Amato concerning Whitewater, Madison Guaranty, etc. At this time, we are providing primary source materials concerning these requests, i.e., Whitewater checking account documents, correspondence from Jim McDougal, loan documentation.

If you have any primary source material as to the topics listed in the attached correspondence, please provide them to me by Tuesday, October 3, 1995. For the Senate, the topics are listed (a) through (1) in the attached August 25, 1995 letter. For the House, the topics are listed (1) through (13) in the attached July 14, 1995 letter.

Thank you for your assistance in this matter.

IRA -  
duplicative

ALFONSE M. DAMATO, NEW YORK, CHAIRMAN

PHIL GRAMM, TEXAS  
RICHARD C. SHELBY, ALABAMA  
CHRISTOPHER S. BOND, MISSOURI  
CONNIE MACK, FLORIDA  
LALUCH FAIRCLOTH, NORTH CAROLINA  
MARTIN MANNING, ILLINOIS  
ROD GRAMS, MINNESOTA  
BILL FRIST, TENNESSEE

PAUL S. SARBANES, MARYLAND  
CHRISTOPHER J. DODD, CONNECTICUT  
JOHN F. KERRY, MASSACHUSETTS  
RICHARD M. BRYAN, NEVADA  
BARBARA BOXER, CALIFORNIA  
BARBARA BOHRER, ILLINOIS  
PATTY MURRAY, WASHINGTON

# United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6076

HOWARD A. MENELL, STAFF DIRECTOR  
ROBERT J. GIUSTRA, JR., CHIEF COUNSEL  
PHILIP I. BOCHTEL, DEPUTY STAFF DIRECTOR  
STEVEN B. HARRIS, DEMOCRATIC STAFF DIRECTOR  
AND CHIEF COUNSEL

August 25, 1995

By U.S. Mail and Facsimile

The Honorable Abner J. Mikva  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Judge Mikva:

As you know, on May 17, 1995, the Senate passed Senate Resolution 120, a copy of which is enclosed, establishing a Special Committee administered by the Committee on Banking, Housing, and Urban Affairs to conduct an investigation involving Whitewater Development Corporation ("Whitewater"), Madison Guaranty Savings and Loan Association ("Madison"), Capital Management Services, Inc. ("Capital Management"), the Arkansas Development Finance Authority ("ADFA"), and other related matters. In connection with the Special Committee's continuing investigation, and in order to prepare for upcoming public hearings, we hereby request that the White House produce certain records to the Special Committee.

Our request encompasses any records, not previously produced by the White House to the Special Committee, within the possession, custody or control of the White House that reflect, refer or relate to the matters specified in Section 1(b) of Senate Resolution 120. This request embraces any records that may not now be physically located at the White House but over which the White House can exercise control.

Accordingly, please provide all records, regardless of format, including, but not limited to, e-mail, electronic "dump files," memoranda, correspondence, notes, and records in any other medium, including drafts of any of the foregoing, that reflect, refer or relate to any of the following subjects:

- (a) the handling of confidential Resolution Trust Corporation ("RTC") information relating to Madison or Whitewater, including any communication of such information to individuals referenced therein;

(b) any contacts between the White House and any other agency or department in the Government with regard to confidential RTC information relating to Madison or Whitewater;

(c) the handling of criminal referrals by the Department of Justice relating to Madison or Whitewater;

(d) any RTC investigation relating to Madison or Whitewater;

(e) the report issued by the Office of Government Ethics on July 31, 1994, or related transcripts of deposition testimony;

(f) the operations, solvency, and regulation of Madison, and any subsidiary, affiliate, or other entity owned or controlled by Madison;

(g) the activities, investments, and tax liability of Whitewater and, as related to Whitewater, of its officers, directors, and shareholders;

(h) the policies and practices of the RTC and the Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act) regarding the legal representation of such agencies with respect to Madison;

(i) the handling by the RTC, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Savings and Loan Insurance Corporation of civil or administrative actions against parties regarding Madison;

(j) the sources of funding and lending practices of Capital Management, and its supervision and regulation by the Small Business Administration, including any alleged diversion of funds to Whitewater;

(k) the bond underwriting contracts between ADFA and Lasater & Company; and

(l) the lending activities of Perry County Bank, Perryville, Arkansas, in connection with the 1990 Arkansas gubernatorial election.

To the extent that White House personnel have gathered records from individuals and locations throughout the White House, please indicate where and from whom each of the records was obtained. It would also be helpful if you provided a

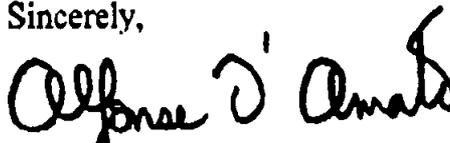
list of records that you are submitting so that the Committee and your office have a common list of the records supplied by the White House. To the extent that documents responsive to this request have been previously produced to the Committee, they need not be reproduced but only identified by Bates number. If any records are withheld based on the assertion of any privilege, please provide a log identifying the date, author(s), recipient(s), the subject matter of any such records, and the basis for the privilege asserted.

The records should be delivered to Joseph Kolinski, Chief Clerk, Senate Banking Committee, 534 Dirksen Senate Office Building. You may submit copies in response to this request, but the Committee reserves the right to obtain the original records. As you know, the Committee is seeking to complete its work as expeditiously as possible. Therefore, it is necessary that the Committee receive these documents by no later than September 7, 1995, and prior to that date, if possible. If you have any questions concerning this request, please have your staff contact Robert Giuffra, Majority Chief Counsel, and Lance Cole, Democratic Deputy Special Counsel, at (202) 224-7391.

We have consulted with Independent Counsel Kenneth W. Starr with regard to this document request, and the Office of Independent Counsel's investigation would not be "hindered or impeded" by the Committee's request for these records.

Your continued cooperation in this matter is appreciated.

Sincerely,



Alfonse M. D'Amato  
Chairman

Enclosure

cc: Paul S. Sarbanes  
Ranking Member

BILL McCOLLUM, FLORIDA  
MARGE ROQUEMA, NEW JERSEY  
DANIE BEREUTER, NEBRASKA  
TOBY ROTH, WISCONSIN  
RICHARD H. BAKER, LOUISIANA  
RICK LAZIO, NEW YORK  
SPENCER BACHUS, III, ALABAMA  
MICHAEL CASTLE, DELAWARE  
PETER KING, NEW YORK  
EDWARD ROYCE, CALIFORNIA  
FRANK D. LUCAS, OKLAHOMA  
JERRY WELLER, ILLINOIS  
J.D. HAYWORTH, ARIZONA  
JACK METCALF, WASHINGTON  
SONNY BONO, CALIFORNIA  
ROBERT MEY, OHIO  
ROBERT L. EHRLICH, JR., MARYLAND  
BOB BARR, GEORGIA  
DICK CHRYSLER, MICHIGAN  
FRANK CREMEANS, OHIO  
JON FOX, PENNSYLVANIA  
FREDERICK HEINEMAN, NORTH CAROLINA  
STEVE STOCKMAN, TEXAS  
FRANK LOBIONDO, NEW JERSEY  
J.C. WATTS, OKLAHOMA  
SUE W. KELLY, NEW YORK

# U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING AND FINANCIAL SERVICES

ONE HUNDRED FOURTH CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6050

July 14, 1995

BRUCE F. VENTO, MINNESOTA  
CHARLES E. SCHUMER, NEW YORK  
BARNEY FRANK, MASSACHUSETTS  
PAUL E. RABUORSKI, PENNSYLVANIA  
JOSEPH P. KENNEDY, MASSACHUSETTS  
FLOYD H. FLAKE, NEW YORK  
KEWISHI MPUME, MARYLAND  
MAURINE WATERS, CALIFORNIA  
BRIE ORTON, UTAH  
CAROLYN B. MALONEY, NEW YORK  
LUIS V. GUTIERREZ, ILLINOIS  
LUCILLE ROYBAL-ALLARD, CALIFORNIA  
THOMAS M. BARRETT, WISCONSIN  
NYDIA M. VELAZQUEZ, NEW YORK  
ALBERT R. WYNN, MARYLAND  
CLEO FIELDS, LOUISIANA  
MELVIN WATT, NORTH CAROLINA  
MAURICE HINCHAY, NEW YORK  
GARY ACKERMAN, NEW YORK  
KEN BENTSEN, TEXAS

BERNARD SANDERS, VERMONT

(202) 225-7502

## BY HAND DELIVERY

The Honorable Abner J. Mikva  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Judge Mikva:

The House Committee on Banking and Financial Services (the "Committee") is conducting an investigation into the failure and resolution of Madison Guaranty Savings & Loan Association ("Madison Guaranty") and related matters, including allegations concerning White Water Development Corporation and the Executive Branch's handling of the investigation of Madison Guaranty. The Committee has undertaken this investigation in order to fulfill its Constitutional obligations under Article I to oversee Executive Branch operations. These obligations are reflected in the authorities and responsibilities set out in Rules X and XI of the House of Representatives. In particular, House Rule X(1)(C) provides, in relevant part, that the Committee has federal legislative jurisdiction over "[b]anks and banking." Clause 2 of Rule X provides authority for standing committees to exercise oversight over the laws within the subject matter jurisdiction of the Committee. The Committee has scheduled hearings on these matters during the August Congressional recess.

To aid the Committee in its investigation, please provide the following documents and information by July 28, 1995:

1. All documents relating to the President's October 6, 1993 meeting with Governor Jim Guy Tucker, including but not limited to any meetings that Governor Tucker had with White House staff. Records indicate that Mr. Keith Mason, Deputy Assistant to the President for Intergovernmental Affairs, was present during the meeting between President Clinton and Governor Clinton. The Committee's request includes but is not limited to any notes or memoranda Mr. Mason prepared during or concerning the meeting.
2. All documents relating to the President's November 18, 1993 meeting with Governor Jim Guy Tucker in or near Seattle, including

- but not limited to any meetings that Governor Tucker had with White House staff.
3. All documents relating to, referencing or reflecting any conversations, meetings or correspondence between Bruce Lindsey and James Lyons.
  4. All documents relating to, referencing or reflecting any telephone calls between Randy Coleman and William Kennedy III in August and September of 1993.
  5. All telephone bills, telephone logs, telephone messages or message pads, electronic mail or PROFS telephone messages, and all facsimile machine records for, created by, sent or received by Bruce Lindsey between August 1, 1993 and November 30, 1993 and that relate in any way to the persons, subjects or events set out in Attachment "A" hereto.
  6. All telephone bills, telephone logs, telephone messages or message pads, electronic mail or PROFS telephone messages, and all facsimile machine records for, created by, sent or received by William Kennedy III between August 1, 1993 and November 30, 1993 and that relate in any way to the persons, subjects or events set out in Attachment "A" hereto.
  7. All documents relating to, referencing or reflecting interview transcripts prepared by the Office of Inspector General of the Department of the Treasury, including but not limited to any requests for such transcripts; the transmittal and receipt of such transcripts by any United States Government personnel; and the use of such transcripts -- directly, indirectly, or otherwise -- in the course of the preparation of any United States Government personnel for testimony before the United States House of Representatives or the United States Senate.
  8. All documents relating to, referencing or reflecting facsimile messages transmitted from Roger Altman to Bernard Nussbaum in March and September of 1993 concerning any of the persons, subjects or events set out in Attachment "A" hereto.
  9. All documents relating to, referencing or reflecting any contacts between the White House and the Small Business Administration

concerning Madison Guaranty or Capital-Management Services Corporation. For purposes of this request, "the White House" means any United States Government personnel employed in or acting on behalf of the Executive Office of the President or any of its components or offices.

10. All documents relating to, referencing or reflecting any contacts between the White House and the Department of Justice concerning Madison Guaranty or Capital-Management Services Corporation. For purposes of this request, (a) "the White House" means any United States Government personnel employed in or acting on behalf of the Executive Office of the President or any of its components or offices; and (b) "the Department of Justice" includes but is not limited to the Federal Bureau of Investigation and any United States Attorney's office.
11. All documents relating to, referencing or reflecting any investigation conducted by Lloyd Cutler and/or the Office of Counsel to the President relating to contacts between the White House and the Resolution Trust Corporation ("RTC") relating to Madison Guaranty Savings & Loan.
12. All documents relating to, referencing or reflecting any criminal referrals involving Madison Guaranty.
13. All documents previously produced to or made available for inspection by the Senate Special Committee to Investigate Whitewater Development Corporation and Related Matters.

As you know, I have made efforts to ensure that, to the extent consistent with its Constitutional and statutory obligations, the Committee's investigation does not hinder the efforts of the Office of the Independent Counsel ("OIC"). For that reason, I have previously instructed Committee staff that, as a courtesy and at least for the present, they are not to seek to review communications between Executive Branch agencies and OIC. For the present, the Committee will take the same approach with regard to the Committee's document requests of the White House. So that there is no confusion, the categories of "exempted" documents are set out as follows:

1. Correspondence or communications between OIC and the White House, including grand jury subpoenas; letters transmitting document productions to the grand jury or OIC; and correspondence between OIC and the White House relating to the scope of grand jury subpoenas or compliance with those subpoenas.

Hon Abner J. Mikva  
July 14, 1995  
Page 4

2. Notes, summaries or transcriptions of conversations or meetings involving the OIC, including notes taken by witnesses during grand jury appearances or OIC interviews, and notes taken during communications or conversations relating to the scope of grand jury subpoenas and compliance with those subpoenas.

3. Internal White House correspondence, communications, e-mails or memoranda discussing the activities of the OIC investigation or of the grand jury, including discussions or summaries of correspondence, communications, conversations or meetings with the OIC, and discussions relating to the appearance of witnesses for questioning by the OIC or before the grand jury.

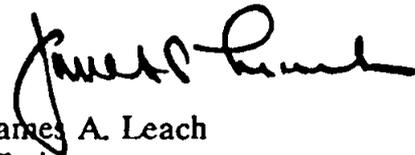
Underlying or preexisting documents or attachments do not come within the above categories and should be produced in response to the Committee's request. The fact that a document in one of the above categories is appended to or contained within a larger document or set of documents does not mean that the larger document or document set may be set aside in its entirety; rather, the larger document should be produced with a notice stating that a certain number of pages were set aside.

In addition, the Committee expects the White House to redact for production and to produce as redacted any document that contains information as described in the numbered paragraphs above but also contains responsive information that does not come within the ambit of those paragraphs. If the White House determines that redaction of a particular document is physically impossible, it should promptly notify the Committee and the OIC.

To arrange for delivery of these materials, please ask your staff to contact Jackson R. Sharman III, the Committee's Special Counsel for Oversight and Investigations, at (202) 226-3280.

The Committee appreciates your cooperation in this regard.

Sincerely,



James A. Leach  
Chairman

cc: Hon. Henry B. Gonzalez  
Hon. Kenneth W. Starr

## ATTACHMENT A

- A. Madison Guaranty Savings & Loan Association
- B. Madison Bank & Trust
- C. Madison Financial Corporation
- D. Madison Marketing
- E. Madison Real Estate
- F. Whitewater Development Company, Inc.
- G. Jim McDougal
- H. Susan McDougal
- I. Chris Wade
- J. Jim Guy Tucker
- K. Charles James
- L. Dan Lasater
- M. The Rose Law Firm
- N. Beverley Bassett Shaffer
- O. The Arkansas Securities Department
- P. The Arkansas Development Finance Authority
- Q. Paula Casey or the office of the United States Attorney in Little Rock
- R. David Hale
- S. Randy Coleman
- T. The Resolution Trust Corporation
- U. Criminal referrals relating to Madison Guaranty
- V. Congressional hearings on or investigations of any of the foregoing
- W. Executive branch or agency reviews or investigations of any of the foregoing

THE WHITE HOUSE  
WASHINGTON

October 23, 1995

MEMORANDUM FOR ALL STAFF OF THE WHITE HOUSE OFFICE,  
OFFICE OF THE VICE PRESIDENT AND  
EXECUTIVE RESIDENCE

FROM: JANE C. SHERBURNE *JCS*  
SPECIAL COUNSEL TO THE PRESIDENT  
DAVID B. FEIN *DBF*  
ASSOCIATE COUNSEL TO THE PRESIDENT

RE: Document Request from the Senate Special Committee

The Senate Special Committee to Investigate Whitewater has requested certain additional White House records in connection with its work. Accordingly, please review your records ("memoranda, correspondence, notes, and records in any other medium, including drafts of any of the foregoing"), as well as your computer files, and retrieve documents dated or prepared as of March 4, 1994 (even if you came into possession of such documents on or after March 4, 1994) that reflect, refer or relate to:

1. "the operations, solvency, and regulation of Madison Guaranty Savings & Loan Association ("Madison"), and any subsidiary, affiliate, or other entity owned or controlled by Madison;
2. "the activities, investments, and tax liability of Whitewater Development Corporation ("Whitewater") and, as related to Whitewater, of its officers, directors, and shareholders;
3. "the Rose Law Firm's representation of Madison or its representation of the RTC with regard to Madison;
4. "the handling by the RTC, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Savings and Loan Insurance Corporation of civil or administrative actions against parties regarding Madison;

5. "the sources of funding and lending practices of Capital Management Services, Inc., and its supervision and regulation by the Small Business Administration, including any alleged diversion of funds to Whitewater;
6. "the bond underwriting contracts between ADFA and Lasater & Company; and
7. "the lending activities of Perry County Bank, Perryville, Arkansas, in connection with the 1990 Arkansas gubernatorial election."

Please provide any records that fall within the categories described above to Associate Counsel David Fein (OEOB Room 128) by Wednesday, October 25, 1995. If you have sent records that may contain responsive material to the Office of Records Management, please let us know and we will ask ORM to search the material. If you believe you have responsive material but are unable to retrieve it by October 25, or if you have any questions about this request, please contact Jane Sherburne (6-5116) or David Fein (6-6219).

Staff members from the following offices within the White House Office may disregard this request:

- Cabinet Affairs
- Correspondence
- Fellowships
- Management and Administration
- National AIDS Policy
- Office of Policy Development
- Political Affairs
- Presidential Personnel
- Public Liaison
- Scheduling and Advance
- Usher's Office

Thank you again for your cooperation.

Elena —

E:mail from  
Betsy Wright to  
Trahern (Political Affairs)

• •

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	From bew to kmz3 et al. Re: hello. (2 pages)	01/20/1996	P5

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

### FOLDER TITLE:

Whitewater Document Request I [5]

2009-1006-F

vz133

### 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

JAMIE -  
New-respective

UNCLASSIFIED

TIME OF TRANSMISSION:

TIME OF RECEIPT:

**WHITE HOUSE  
SITUATION ROOM**

142127Z DEC 95  
AB

PRECEDENCE

CLASSIFICATION:

RELEASER: KibWood

**IMMEDIATE  
PRIORITY  
ROUTINE**

UNCLAS

DATE/TIME: 181935Z DEC

MESSAGE #: 32

FROM: Ginny Terzano PHONE: 62580 ROOM: Lower Press  
 SUBJECT: Sherbuen letter PAGES: 3

PLEASE DELIVER TO:

LOCATION	DELIVER TO	ROOM	PHONE
<u>Air Force 1</u>	<u>Mike McCurry</u>		

SPECIAL DELIVERY INSTRUCTIONS/REMARKS:

UNCLASSIFIED

THE WHITE HOUSE  
WASHINGTON

December 14, 1995

BY TELECOPY

Michael Chertoff, Special Counsel  
United States Senate  
Special Committee to Investigate Whitewater  
Development Corporation and Related Matters  
534 Dirksen Building  
Washington, D.C. 20510-6075

Dear Mr. Chertoff:

We continue to believe that the proposal set forth in the Williams & Connolly submission should be sufficient to resolve the Committee's interest in the November 5, 1993 meeting among lawyers for the President. And, as you are certainly aware, our concern about disclosing the Kennedy notes has not had to do with the notes themselves, but instead the possibility that disclosure would result in an argument that there had been a waiver (in whole or in part) of the President's privileged relationship with counsel. We have therefore been working from the beginning to devise a solution that would address both the Committee's interest in disclosure and the President's right to confidential communications with counsel.

To that end, I am authorized to make the following alternative proposal. Specifically, we would be willing to turn over to the Committee the notes taken by Mr. Kennedy at the November 5, 1993 meeting under the following conditions:

- (1) The Committee would agree that the November 5, 1993 meeting was a privileged meeting.
- (2) The Committee would agree that it would not argue, in any forum, as a basis for obtaining information about other counsel meetings or for any other reason, that any privileges or legal positions had been waived by permitting inquiry into the November 5, 1993 meeting.
- (3) The Committee would limit its testimonial inquiry about this meeting to the White House officials who attended it.
- (4) The Committee would secure the concurrence to these terms of other investigative bodies, including the Independent Counsel, other congressional committees with investigatory or oversight interest in the

Michael Chertoff, Special Counsel  
December 14, 1995  
Page 2

Madison/Whitewater matter, the Resolution Trust Corporation (and its successor), and the Federal Deposit Insurance Corporation.

(5) Pursuant to Section 2(c) of S. Res. 120, the Committee would adopt procedures to ensure that any interest the Committee may develop in other matters covered by the attorney-client privilege for the President will be pursued, if at all, on a bipartisan basis.

Please contact me promptly if the Chairman is willing to take the notes and related testimony in accordance with the conditions set forth.

Sincerely yours,



Jane C. Sherburne  
Special Counsel to the President

cc: Richard Ben-Veniste, Minority Special Counsel

TIME OF TRANSMISSION:

TIME OF RECEIPT:

**WHITE HOUSE  
SITUATION ROOM**

02207

PRECEDENCE

CLASSIFICATION:

RELEASER: \_\_\_\_\_

**IMMEDIATE**

PRIORITY

ROUTINE

**UNCLASSIFIED**

DATE/TIME: ~~01~~ 140127Z

MESSAGE #: 19

FROM: HAROLD ICKES PHONE: 62459 ROOM: \_\_\_\_\_

SUBJECT: WW PAGES: 2

PLEASE DELIVER TO:

LOCATION	DELIVER TO	ROOM	PHONE
<u>AF-1</u>	<u>Mike McCurry</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SPECIAL DELIVERY INSTRUCTIONS/REMARKS:

THE WHITE HOUSE  
WASHINGTON

---

For Immediate Release

December 13, 1995

Statement by Mark D. Fabiani  
Special Associate Counsel to the President

In his objection to the Whitewater Committee's subpoena, the President does not assert executive privilege. The overriding reason the Committee is not entitled to see these notes is that they are protected by the attorney-client privilege that exists between the President and his personal lawyer.

The presence of the President's governmental lawyers at a meeting with his private lawyers, does not destroy this attorney-client privilege because the President also has the right to have confidential communications with his government lawyers. Likewise, the private and governmental lawyers are themselves entitled to communicate confidentially on the President's behalf.

THE WHITE HOUSE

WASHINGTON

January 20, 1996

MEMORANDUM FOR EXECUTIVE OFFICE OF PRESIDENT STAFF

FROM: JANE SHERBURNE *JS*  
Special Counsel to the President

ELENA KAGAN *EK*  
Associate Counsel to the President

SUBJECT: SUBPOENA FOR DOCUMENTS

We have received a subpoena from the Independent Counsel in the Whitewater matter for certain materials described below. Please provide any materials -- including documents, records, phonelogs, notes, computer records, letters, and telefax materials -- that are responsive to the paragraph below to **Elena Kagan, OEOB Room 125, by 5:00 p.m. on Monday, January 22, 1996.**

Any and all documents and/or communications referring or relating to the location, efforts to locate, production, efforts to produce, whereabouts, or existence of documents referring or relating to: (a) legal representation provided by, legal work performed by, or Rose Law Firm compensation allocated to Hillary Rodham Clinton; or (b) legal representation provided to or legal work performed for Madison Guaranty Savings & Loan.

It is extremely important that staff members conduct a thorough search for documents by the end of the business day. Each Assistant to the President or Department head should ensure that his or her staff members conduct such a search.

If you believe you may have responsive documents but cannot locate them by 5:00 p.m., please contact Elena Kagan (6-7594) immediately.

*I have no responsive documents*

*C.D. Mills  
1/22/96*

MILLS, CHERYL D.  
WHITE HOUSE OFFICE

GENERAL COUNSEL

OEOB

128

THE WHITE HOUSE

WASHINGTON

January 20, 1996

MEMORANDUM FOR EXECUTIVE OFFICE OF PRESIDENT STAFF

FROM: JANE SHERBURNE *JOS*  
Special Counsel to the President

ELENA KAGAN *EK*  
Associate Counsel to the President

SUBJECT: SUBPOENA FOR DOCUMENTS

We have received a subpoena from the Independent Counsel in the Whitewater matter for certain materials described below. Please provide any materials -- including documents, records, phonelogs, notes, computer records, letters, and telefax materials -- that are responsive to the paragraph below to **Elena Kagan, OEOB Room 125, by 5:00 p.m. on Monday, January 22, 1996.**

Any and all documents and/or communications referring or relating to the location, efforts to locate, production, efforts to produce, whereabouts, or existence of documents referring or relating to: (a) legal representation provided by, legal work performed by, or Rose Law Firm compensation allocated to Hillary Rodham Clinton; or (b) legal representation provided to or legal work performed for Madison Guaranty Savings & Loan.

It is extremely important that staff members conduct a thorough search for documents by the end of the business day. Each Assistant to the President or Department head should ensure that his or her staff members conduct such a search.

If you believe you may have responsive documents but cannot locate them by 5:00 p.m., please contact Elena Kagan (6-7594) immediately.

*1/22/96*

*Elena -*

*I don't have any documents  
pertaining to this subpoena.*

*Ann Stok*

KULLMAN, KARIN  
WHITE HOUSE OFFICE

FIRST LADY

WH

2FL/EW

THE WHITE HOUSE  
WASHINGTON

Tamie Baker 6-9/16  
1

All directores -  
negative responses.

---

Press office -

2 documents  
(WH docs)

---

Email lists -  
probably 2  
Some time today.

THE WHITE HOUSE  
WASHINGTON

Mac-Leslie Dyer -  
going over a couple  
of things early  
this afternoon

From Vicky Radd

(responsive?)

Copies of documents  
produced to  
M. Kuller  
3/8/94.

Statement for All White House Staff Members

I hereby certify that, <sup>possibly</sup> to the best of my knowledge and ability, I have provided all responsive documents from the following sources within my possession, custody or control:

1. My trash container(s) or wastebasket(s) ✓
2. My burn bag(s) ✓
3. My electronic files ✓

4. My files, records and other documents (as set forth in the Definitions Section of the grand jury subpoena) <sup>①</sup> ✓

I am not aware of the existence of any electronic mail communications or attachments that have not been produced or identified and are responsive to the grand jury subpoena. I ~~further certify that~~ I have provided all documents or communications responsive to the grand jury subpoena for White House documents (as set forth in Paragraphs A and B) for compliance as requested by the White House Counsel's Office. <sup>②</sup>

March 4, 1994

Signed: Victoria L. Radd

Dated: 3/8/94

① As directed by the White House Counsel Office's office Representative, I have not searched files, records and other documents compiled and left behind in my office by former Associate Counsel Ronald A. Klain.

② As directed by the Deputy Counsel to the President and The Counsel's Office's counsel liaison, I have not provided any press clippings compiled as the "White House News Report"; nor have I provided hard copies of press and news information (wire reports, etc.) available on the White House OASIS system.

Non-resp from  
Steve

## TALKING POINTS ON BLIND TRUST

- A copy of the executed trust document was filed with the Office of Government Ethics on July 26, 1993.
- A list of the assets transferred to each trust was also filed with the Office of Government Ethics on July 26, 1993.
- The list of the assets transferred to each trust reflects the assets listed on the President's financial disclosure form, as amended. (An amendment to the form was filed with the Office of Government Ethics in late July. That form and the amendment are publicly available at that office, and should be obtained there.) All assets transferred to the trust have been disclosed on the President's financial disclosure form.
- Boston Harbor Trust Company, N.A., is the Independent Trustee of the blind trust.
- Essex Investment Management Company, Inc., is the Investment Manager of the blind trust.
- The trust has been certified (i.e., approved) by the Office of Government Ethics.
- Federal law -- the Ethics in Government Act of 1978, as amended -- requires that the blind trust documents be filed with the Office of Government Ethics, and that the trust document be made publicly available by that Office.
- Copies of the trust document should be obtained from the Office of Government Ethics, as the law provides.
- Williams & Connelly and Bob Barnett played no role in the creation of the blind trust. The blind trust documents were prepared by the Rose Law Firm of Little Rock, Arkansas. [Specifically, C. Brantley Buck.]
- Vince Foster did not prepare the blind trust documents. Rather, in his capacity as Deputy White House Counsel, his role was to inform the First Family and their attorneys of the special federal requirements, set forth in the Ethics in Government Act, for creation of a blind trust by the President. The White House Counsel's Office acted as a watchdog to ensure compliance with those requirements. This is analogous to the role that the White House Counsel's Office regularly plays when it ensures compliance by White House personnel with federal ethics rules, including in connection with the preparation of their financial disclosure forms (which are also filed with the Office of Government Ethics).

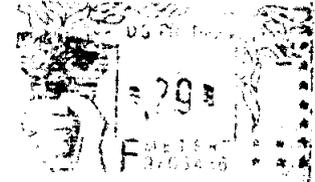
-- Pursuant to the terms of the blind trust, the First Family will not participate in any way in decisions relating to the management and investment of their assets. The First Family has made no contact with the Independent Trustee or the Investment Manager.

DEFENSE ELECTRONICS SUPPLY CENTER

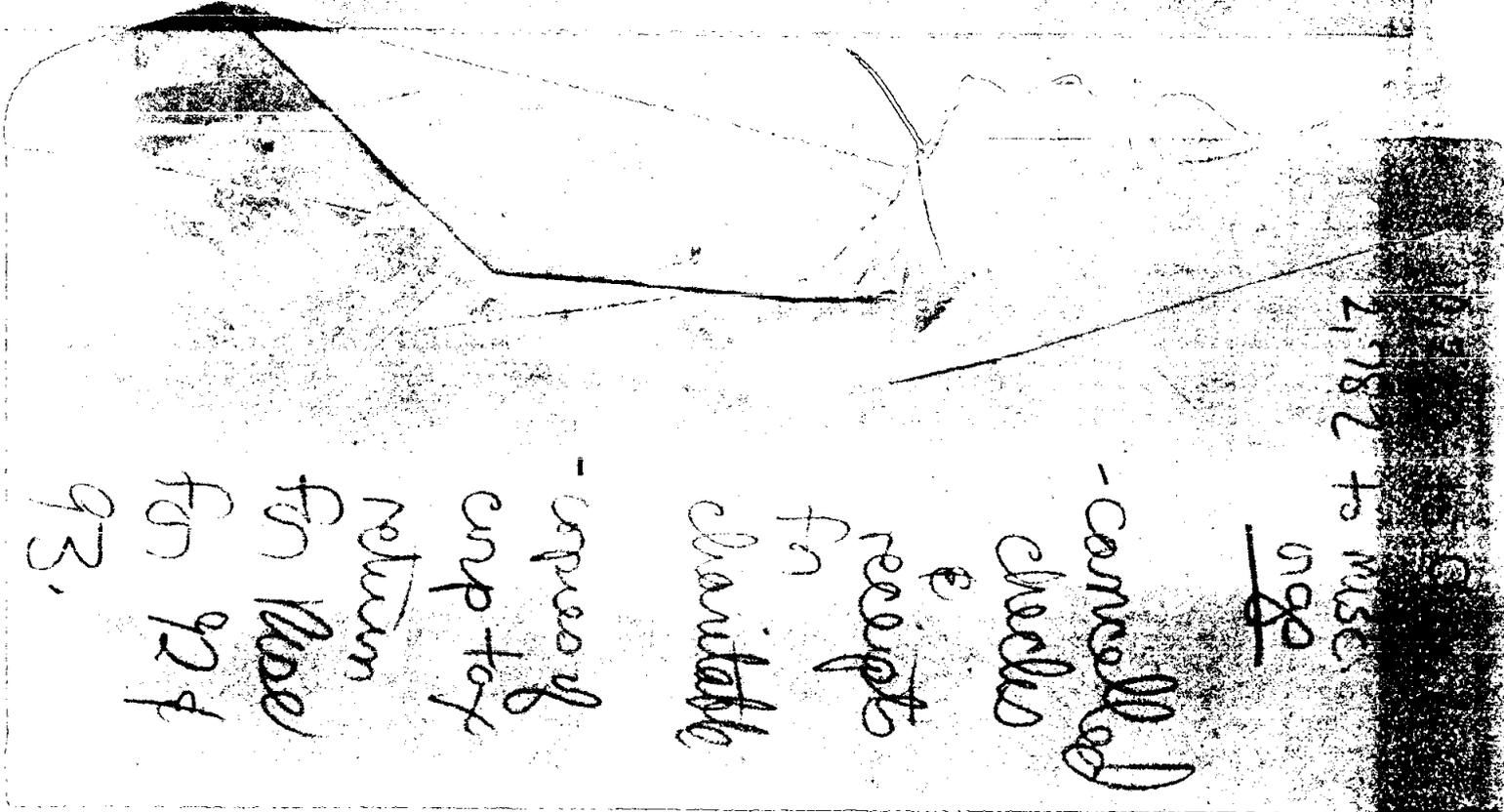
1507 WILMINGTON PIKE  
DAYTON, OHIO 45444-5116  
DESC-RFD

OFFICIAL BUSINESS

TO POSTMASTER:—IF THE ADDRESSEE IS  
DECEASED OR HAS FAILED TO FILE REGULAR  
CHANGE OF ADDRESS UPON REMOVAL, THIS  
LETTER SHOULD BE RETURNED IMMEDIATELY.



7541-00-1.00-3152 E-2



21782 to MUSE

0980

- cancelled  
checks

for  
receipts  
charitable

- copies of  
envelope  
return

for base  
for 924  
93.

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. letter	From Robert L. Jones to David E. Kendall, Esquire. (2 pages)	07/14/1994	P5

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

### FOLDER TITLE:

Whitewater Document Request I [5]

2009-1006-F

vz133

### 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]

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. memo	Memorandum to William H. Kennedy, III from Carolyn Huber. (9 pages)	11/12/1993	P5

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

### FOLDER TITLE:

Whitewater Document Request I [5]

2009-1006-F  
vz133

### 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]

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. letter	Letter from James S. McDonald to President William J. Clinton and Hillary Clinton. (1 page)	10/14/1993	P5

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8293

### FOLDER TITLE:

Whitewater Document Request I [5]

2009-1006-F

vz133

### 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]

**Q & A's - CLINTONS' 1993 TAX RETURNS**

**Who prepared the Clintons' return?**

Williams & Connelly retained Robert Jones to prepare the Clintons' returns. Mr. Jones is a member of the Washington, D.C. accounting firm of Hariton, Mancuso and Jones.

**Did Mr. Jones prepare the Clintons' 1992 return?**

No. That return was prepared by Yoly Redden of Redden & Company in Little Rock, Arkansas.

**Why did the Clintons switch accountants?**

Now that the Clintons are in Washington, they believed it appropriate to work with an accountant here.

**How do the Clintons' income and tax payments compare with 1992?**

For 1992, the Clintons paid \$70,228 in federal income tax on an Adjusted Gross Income of \$290,697. For 1993, the Clintons will be paying \$62,670 on Adjusted Gross Income of \$293,757. But that Adjusted Gross Income includes a one time income item of \$38,683, for moving expenses reimbursed by the Presidential Transition Planning Foundation -- an amount that the Clintons were entitled to deduct. When this item is excluded, the Clintons are actually paying ~~\$62,670~~ on Adjusted Gross Income of only \$255,074.

61,583

**Is the Clintons' tax payment high or low for the amount of income they earned?**

With the one time moving expense item included in their Adjusted Gross Income, the Clintons' tax payment represents 21.3 % of their Adjusted Gross Income. When the moving expense is not included, the Clintons' tax payment represents 24.1 % of their Adjusted Gross Income.

~~According to the IRS's Fall 1993 Statistics of Income Bulletin, early tax estimates showed that taxpayers with Adjusted Gross Incomes over \$200,000 paid an average of 26.2 % of their Adjusted Gross Income in taxes for 1992. According to the IRS's Spring 1993 Statistics of Income Bulletin, preliminary data showed that taxpayers with Adjusted Gross Incomes between \$200,000 and \$500,000 paid an average of 23.7% of their adjusted gross income in taxes in 1991, and an average of 23.3% of their adjusted gross~~

income in taxes in 1990. IRS Publication 1304 (8/93) taxpayers with Adjusted Gross Incomes between \$200,000 and \$300,000 paid an average of 22.6% of their Adjusted Gross Income in taxes in 1990, and 22.9% in 1989.

Thus, the Clintons tax payments for 1993 fall well within the average range for taxpayers with comparable incomes.

**Can you break down the wages and salaries reported on the 1993 return?**

The Clintons' wages and salaries of \$191,640 include the President's salary of \$189,167, representing income he earned beginning January 20, 1993 -- that is, less than a full year. The wages and salaries figure also includes \$2473 paid to the Clintons by EP Talent, for residuals the Clintons earned in 1993 for appearances on the Arsenio Hall Show -- specifically, \$2046 to the President and \$427 to Mrs. Clinton.

**To whom did the Clintons pay state and local taxes in 1992?**

With the exception of \$288 paid to California, the remainder of state and local taxes -- \$15,641 -- was paid to Arkansas. The payment to California was on income from residuals paid to the Clintons for appearances on the Arsenio Hall show.

**What is the \$66 personal property tax the Clintons deducted?**

This represents Arkansas tax paid on an automobile the Clintons own.

**What is the \$4659 in home mortgage interest deducted on the Clintons' return?**

This is the interest that the Clintons paid on their half of the mortgage on the residence in Little Rock, Arkansas, that is lived in year-round by Mrs. Clintons' mother and is also the Clintons' residence in Arkansas. This home is the Clintons' place of residence for purposes of state taxes and for purposes of voter registration.

**Has interest for this mortgage been deducted before?**

This interest has been deducted consistently in prior years.

**What is the investment interest deducted?**

This is the investment interest expense reported on the Form K-1 earning statement supplied to the Clintons by the Trustee of their blind trust. Interest expense was incurred on one or more of the investments placed in the blind trust, but because the trust is blind, we do not know the particular investment or investments.

To whom did the Clintons make charitable contributions?

[LIST]

Were those contributions all in cash?

Yes.

How do the Clintons charitable contributions compare with prior years?

The Clintons list charitable contributions of \$17,000 for 1993. In 1992, the Clintons made Charitable contributions of \$19,452.

In prior years, the Clintons always deducted contributions of clothing and books. Why are there no such deductions on this years return?

The only deductions claimed by the Clintons this year are the cash contributions to charitable organizations.

Why did the Presidential Transition pay the Clintons' moving expenses?

The Transition Foundation considered the payment of the moving expenses to be an appropriate part of its mission. These expenses were not paid from funds provided by the federal government. They were paid wholly from funds raised by individuals.

Is there any precedent for such payments?

We have no information about whether previous Transition organization paid this kind of expense.

Who authorized the payment?

The Board of Directors of the transition foundation.

Who were the members of the Board?

Mickey Kantor, Vernon Jordan, Madeline Kunin, Mack McLarty, Henry Cisneros, Warren Christopher [and Doris Matsui].

**Did the Clintons' have to lay out any money?**  
No.

**Is this legal?**

Yes. The tax law requires the Clintons to include the amount reimbursed as income, and then allows the Clintons to include the same amount as an itemized deduction for moving expenses.

**Was it legal for the transition to provide the money?**

[Act from Cheryl]

**Which provision of the tax code allows the Clinton to deduct moving expenses they never paid?**

Section 217 of the Internal Revenue Code and the regulations promulgated thereunder.

**Given that David Kendall represents the Clintons, how can it be that the Clintons have failed to report any legal expenses on their list of itemized deductions?**

\*

**The Clintons did not establish their blind trust until July 1993. How come their return does not show any interest or dividend income for any of the assets placed in the blind trust, such as Value Partners?**

With one exception, any interest or dividend income earned during the first half of 1993, before the Clintons' assets were placed in the blind trust, is included in the Stephens, Inc. and Liz Claiborne items on Schedule B. The sole exception is interest and dividend income that may have been earned during the first half of the year in the partnership Value Partners. That partnership reported the entire year's income to Boston Harbor Trust Co., the Trustee of the Blind Trust, and thus any interest or dividend income for the period January-July 1993 would have been included in the amounts reported by the trustee.

**What about capital gains and losses for the period before assets were placed in the blind trust?**

The only capital gains for 1993 were reported by the Trustee of the blind trust. If Mrs. Clintons' investment in Value Partners produced any capital gains or losses during the first half of 1993, those would have been included in the capital gains reported by the trustee.

**Why haven't you taken steps to obtain this information on gains and losses on investments for the period prior to July 1993?**

Such information was included in the amounts reported by the Trustee, and it was not necessary to obtain any further information in order to complete the tax return.

**What assets are in the blind trust?**

The list of assets placed in the blind trust is publicly available from the Office of Government Ethics. It is an attachment to the blind trust agreement.

**Which assets created the interest and dividend income in the trust?**

We do not know. This is a blind trust.

**Which assets created the capital gains?**

Again, we do not know. This is a blind trust.

**What is the interest and dividend income from Fidelity Trust?**

**How did Mrs. Bush and other First Ladies treat this money they received?**

*Last heir died in 89, then court order in Dec 1992.*

**What is Midlife Investments?**

As has been previously reported, Hillary Clinton was a co-investor with other Rose Law Firm partners in an investment-only partnership named Midlife Investments. Midlife had only one

source of income -- an investment in a limited partnership that invested several years ago in the production of a television movie, which netted \$2 in royalties to Mrs. Clinton in 1992 and \$3 in royalties in 1993.

**Why wasn't this placed in the blind trust?**

This was considered an asset with no value, as is reflected in the total of \$5 in royalties earned during 1992 and 1993.

**What is the \$3 income reported from Midlife?**

This was reported on the partnership K-1 as royalty income.

**What are the assets at Stephens Inc?**

The assets held by Stephens Inc. -- all of which were placed in the Clintons' blind trust -- were stock in TCBY and Walmart; investments in an Automated Government Money Trust fund and a Federated Government Cash Series; an interest bearing account; and Arkansas municipal bonds.

**What is the Liz Claiborne asset? Is it in the blind trust?**

This was Liz Claiborne stock held directly by Mrs. Clinton. This stock was placed in the blind trust.

**What are the accounts at Twin City Bank and Worthen Bank?**

These were personal ~~bank~~ accounts of the Clintons, including 2 CD's.

**What is the tax-exempt interest income reported on the return?**

This is interest earned principally from Arkansas state bonds. It also includes \$588 in interest from Cortland Municipal Money Market Fund, and \$41 from a Schwabb tax exempt money fund.

*Municipal*

**What is the source of the taxable refund of state and local taxes?**

An Arkansas tax refund of \$2046.

**Please explain the \$142,528 pension and annuity amount included on line 17a. Does this include all pension and annuity interests placed in the blind trust?**

The amount on line 17a represents the amount rolled over from Mrs. Clintons' interest in Rose Law Firm retirement plans into an IRA that is now in the blind trust. It also includes amounts rolled over to IRAs now in the blind trust from two KEOUGH accounts of Mrs. Clinton. [The amount from Rose retirement plan was \$136,161; the amount from the KEOUGH accounts was \$6367.]

The Clintons' other pension and annuity interests were also placed in the blind trust, including certain IRA and SEPIRA accounts. When the custody of those accounts was transferred to the trustee, there was no distribution of assets, and thus no requirement to report the transfer on line 17a of the return.

**What is royalty income paid by the New York Times?**

This represents residuals from an op-ed article written by President Clinton [WHEN?]

**The President and First Lady have talked about the importance of savings. Why did they choose not to put money into an IRA account?**

**What is the investment interest expense reported on the return?**

This is investment interest expense reported by the blind trust. We do not know the particular liability within the blind trust that gave rise to that expense.

**Which is the property held for investment reported on Form 4952?**

This amount is all of the interest and dividend income reported, plus the \$3 royalty included on line 18 of the return.

**Explain the information in Part II of Form 4952, covering net investment income.**

This form is required to demonstrate that the interest payments deducted do not exceed net investment income reported on the return.

## Q & A's - CLINTONS' 1993 TAX RETURNS

**Who prepared the Clintons' return?**

Williams & Connelly retained Robert Jones to prepare the Clintons' returns. Mr. Jones is a member of the Washington, D.C. accounting firm of Hariton, Mancuso and Jones.

**Did Mr. Jones prepare the Clintons' 1992 return?**

No. That return was prepared by Yoly Redden of Redden & Company in Little Rock, Arkansas.

**Why did the Clintons switch accountants?**

Now that the Clintons are in Washington, they believed it appropriate to work with an accountant here.

**How do the Clintons' income and tax payments compare with 1992?**

For 1992, the Clintons paid \$70,228 in federal income tax on an Adjusted Gross Income of \$290,697. For 1993, the Clintons will be paying \$62,670 on Adjusted Gross Income of \$293,757. But that Adjusted Gross Income includes a one time income item of \$38,683, for moving expenses reimbursed by the Presidential Transition Planning Foundation -- an amount that the Clintons were entitled to deduct. When this item is excluded, the Clintons are actually paying \$62,670 on Adjusted Gross Income of only \$255,074.

**Is the Clintons' tax payment high or low for the amount of income they earned?**

With the one time moving expense item included in their Adjusted Gross Income, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income. When the moving expense is not included, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income.

According to the IRS's Fall 1993 Statistics of Income Bulletin, early tax estimates showed that taxpayers with Adjusted Gross Incomes over \$200,000 paid an average of \_\_\_% of their Adjusted Gross Income in taxes for 1992. According to the IRS's Spring 1993 Statistics of Income Bulletin, preliminary data showed that taxpayers with Adjusted Gross Incomes between \$200,000 and \$500,000 paid an average of 23.7% of their adjusted gross income in taxes in 1991, and an average of 23.3% of their adjusted gross

income in taxes in 1990. IRS Publication 1304 (8/93) taxpayers with Adjusted Gross Incomes between \$200,000 and \$300,000 paid an average of 22.6% of their Adjusted Gross Income in taxes in 1990, and 22.9% in 1989.

Thus, the Clintons tax payments for 1993 fall well within the average range for taxpayers with comparable incomes.

**Can you break down the wages and salaries reported on the 1993 return?**

The Clintons' wages and salaries of \$191,640 include the President's salary of \$189,167, representing income he earned beginning January 20, 1993 -- that is, less than a full year. The wages and salaries figure also includes \$2473 paid to the Clintons by EP Talent, for residuals the Clintons earned in 1993 for appearances on the Arsenio Hall Show -- specifically, \$2046 to the President and \$427 to Mrs. Clinton.

**To whom did the Clintons pay state and local taxes in 1992?**

With the exception of \$288 paid to California, the remainder of state and local taxes -- \$15,641 -- was paid to Arkansas. The payment to California was on income from residuals paid to the Clintons for appearances on the Arsenio Hall show.

**What is the \$66 personal property tax the Clintons deducted?**

This represents Arkansas tax paid on an automobile the Clintons own.

**What is the \$4659 in home mortgage interest deducted on the Clintons' return?**

This is the interest that the Clintons paid on their half of the mortgage on the residence in Little Rock, Arkansas, that is lived in year-round by Mrs. Clintons' mother and is also the Clintons' residence in Arkansas. This home is the Clintons' place of residence for purposes of state taxes and for purposes of voter registration.

**Has interest for this mortgage been deducted before?**

This interest has been deducted consistently in prior years.

**What is the investment interest deducted?**

This is the investment interest expense reported on the Form K-1 earning statement supplied to the Clintons by the Trustee of their blind trust. Interest expense was incurred on one or more of the investments placed in the blind trust, but because the trust is blind, we do not know the particular investment or investments.

**To whom did the Clintons make charitable contributions?**

**Were those contributions all in cash?**

Yes.

**How do the Clintons charitable contributions compare with prior years?**

The Clintons list charitable contributions of \$17,000 for 1993. In 1992, the Clintons made Charitable contributions of \$19,452.

**In prior years, the Clintons always deducted contributions of clothing and books. Why are there no such deductions on this years return?**

The only deductions claimed by the Clintons this year are the cash contributions to charitable organizations.

**Why did the Presidential Transition pay the Clintons' moving expenses?**

The Transition Foundation considered the payment of the moving expenses to be an appropriate part of its mission. These expenses were not paid from funds provided by the federal government. They were paid wholly from funds raised by individuals.

**Is there any precedent for such payments?**

We have no information about whether previous Transition organization paid this kind of expense.

**Who authorized the payment?**

The Board of Directors of the transition foundation.

**Who were the members of the Board?**

Mickey Kantor, Vernon Jordan, Madeline Kunin, Mack McLarty, Henry Cisneros, Warren Christopher [and Doris Matsui].

**Did the Clintons' have to lay out any money?**  
No.

**Is this legal?**

Yes. The tax law requires the Clintons to include the amount reimbursed as income, and then allows the Clintons to include the same amount as an itemized deduction for moving expenses.

**Was it legal for the transition to provide the money?**

[Act from Cheryl]

**Which provision of the tax code allows the Clinton to deduct moving expenses they never paid?**

Section 217 of the Internal Revenue Code and the regulations promulgated thereunder.

**Given that David Kendall represents the Clintons, how can it be that the Clintons have failed to report any legal expenses on their list of itemized deductions?**

**The Clintons did not establish their blind trust until July 1993. How come their return does not show any interest or dividend income for any of the assets placed in the blind trust, such as Value Partners?**

With one exception, any interest or dividend income earned during the first half of 1993, before the Clintons' assets were placed in the blind trust, is included in the Stephens, Inc. and Liz Claiborne items on Schedule B. The sole exception is interest and dividend income that may have been earned during the first half of the year in the partnership Value Partners. That partnership reported the entire year's income to Boston Harbor Trust Co., the Trustee of the Blind Trust, and thus any interest or dividend income for the period January-July 1993 would have been included in the amounts reported by the trustee.

**What about capital gains and losses for the period before assets were placed in the blind trust?**

The only capital gains for 1993 were reported by the Trustee of the blind trust. If Mrs. Clintons' investment in Value Partners produced any capital gains or losses during the first half of 1993, those would have been included in the capital gains reported by the trustee.

**Why haven't you taken steps to obtain this information on gains and losses on investments for the period prior to July 1993?**

Such information was included in the amounts reported by the Trustee, and it was not necessary to obtain any further information in order to complete the tax return.

**What assets are in the blind trust?**

The list of assets placed in the blind trust is publicly available from the Office of Government Ethics. It is an attachment to the blind trust agreement.

**Which assets created the interest and dividend income in the trust?**

We do not know. This is a blind trust.

**Which assets created the capital gains?**

Again, we do not know. This is a blind trust.

**What is the interest and dividend income from Fidelity Trust?**

**How did Mrs. Bush and other First Ladies treat this money they received?**

**What is Midlife Investments?**

As has been previously reported, Hillary Clinton was a co-investor with other Rose Law Firm partners in an investment-only partnership named Midlife Investments. Midlife had only one

source of income -- an investment in a limited partnership that invested several years ago in the production of a television movie, which netted \$2 in royalties to Mrs. Clinton in 1992 and \$3 in royalties in 1993.

**Why wasn't this placed in the blind trust?**

This was considered an asset with no value, as is reflected in the total of \$5 in royalties earned during 1992 and 1993.

**What is the \$3 income reported from Midlife?**

This was reported on the partnership K-1 as royalty income.

**What are the assets at Stephens Inc?**

The assets held by Stephens Inc. -- all of which were placed in the Clintons' blind trust -- were stock in TCBY and Walmart; investments in an Automated Government Money Trust fund and a Federated Government Cash Series; an interest bearing account; and Arkansas municipal bonds.

**What is the Liz Claiborne asset? Is it in the blind trust?**

This was Liz Claiborne stock held directly by Mrs. Clinton. This stock was placed in the blind trust.

**What are the accounts at Twin City Bank and Worthen Bank?**  
These were personal bank accounts of the Clintons.

**What is the tax-exempt interest income reported on the return?**  
This is interest earned principally from Arkansas state bonds. It also includes \$588 in interest from Cortland Municipal Money Market Fund, and \$41 from a Schwabb tax exempt money fund.

**What is the source of the taxable refund of state and local taxes?**

An Arkansas tax refund of \$2046.

**Please explain the \$142,528 pension and annuity amount included on line 17a. Does this include all pension and annuity interests placed in the blind trust?**

The amount on line 17a represents the amount rolled over from Mrs. Clintons' interest in Rose Law Firm retirement plans into an IRA that is now in the blind trust. It also includes amounts rolled over to IRAs now in the blind trust from two KEOUGH accounts of Mrs. Clinton. [The amount from Rose retirement plan was \$136,161; the amount from the KEOUGH accounts was \$6367.]

The Clintons' other pension and annuity interests were also placed in the blind trust, including certain IRA and SEPIRA accounts. When the custody of those accounts was transferred to the trustee, there was no distribution of assets, and thus no requirement to report the transfer on line 17a of the return.

**What is royalty income paid by the New York Times?**

This represents residuals from an op-ed article written by President Clinton [WHEN?]

**The President and First Lady have talked about the importance of savings. Why did they choose not to put money into an IRA account?**

**What is the investment interest expense reported on the return?**

This is investment interest expense reported by the blind trust. We do not know the particular liability within the blind trust that gave rise to that expense.

**Which is the property held for investment reported on Form 4952?**

This amount is all of the interest and dividend income reported, plus the \$3 royalty included on line 18 of the return.

**Explain the information in Part II of Form 4952, covering net investment income.**

This form is required to demonstrate that the interest payments deducted do not exceed net investment income reported on the return.

## Q & A's - CLINTONS' 1993 TAX RETURNS

### Who prepared the Clintons' return?

Williams & Connelly retained Robert Jones to prepare the Clintons' returns. Mr. Jones is a member of the Washington, D.C. accounting firm of Hariton, Mancuso and Jones.

### Did Mr. Jones prepare the Clintons' 1992 return?

No. That return was prepared by Yoly Redden of Redden & Company in Little Rock, Arkansas.

### Why did the Clintons switch accountants?

Now that the Clintons are in Washington, they believed it appropriate to work with an accountant here.

### How do the Clintons' income and tax payments compare with 1992?

For 1992, the Clintons paid \$70,228 in federal income tax on an Adjusted Gross Income of \$290,697. For 1993, the Clintons will be paying \$62,670 on Adjusted Gross Income of \$293,757. But that Adjusted Gross Income includes a one time income item of \$38,683, for moving expenses reimbursed by the Presidential Transition Planning Foundation -- an amount that the Clintons were entitled to deduct. When this item is excluded, the Clintons are actually paying \$62,670 on Adjusted Gross Income of only \$255,074.

### Is the Clintons' tax payment high or low for the amount of income they earned?

With the one time moving expense item included in their Adjusted Gross Income, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income. When the moving expense is not included, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income.

According to the IRS's Fall 1993 Statistics of Income Bulletin, early tax estimates showed that taxpayers with Adjusted Gross Incomes over \$200,000 paid an average of \_\_\_% of their Adjusted Gross Income in taxes for 1992. According to the IRS's Spring 1993 Statistics of Income Bulletin, preliminary data showed that taxpayers with Adjusted Gross Incomes between \$200,000 and \$500,000 paid an average of 23.7% of their adjusted gross income in taxes in 1991, and an average of 23.3% of their adjusted gross

income in taxes in 1990. IRS Publication 1304 (8/93) taxpayers with Adjusted Gross Incomes between \$200,000 and \$300,000 paid an average of 22.6% of their Adjusted Gross Income in taxes in 1990, and 22.9% in 1989.

Thus, the Clintons tax payments for 1993 fall well within the average range for taxpayers with comparable incomes.

**Can you break down the wages and salaries reported on the 1993 return?**

The Clintons' wages and salaries of \$191,640 include the President's salary of \$189,167, representing income he earned beginning January 20, 1993 -- that is, less than a full year. The wages and salaries figure also includes \$2473 paid to the Clintons by EP Talent, for residuals the Clintons earned in 1993 for appearances on the Arsenio Hall Show -- specifically, \$2046 to the President and \$427 to Mrs. Clinton.

**To whom did the Clintons pay state and local taxes in 1992?**

With the exception of \$288 paid to California, the remainder of state and local taxes -- \$15,641 -- was paid to Arkansas. The payment to California was on income from residuals paid to the Clintons for appearances on the Arsenio Hall show.

**What is the \$66 personal property tax the Clintons deducted?**

This represents Arkansas tax paid on an automobile the Clintons own.

**What is the \$4659 in home mortgage interest deducted on the Clintons' return?**

This is the interest that the Clintons paid on their half of the mortgage on the residence in Little Rock, Arkansas, that is lived in year-round by Mrs. Clintons' mother and is also the Clintons' residence in Arkansas. This home is the Clintons' place of residence for purposes of state taxes and for purposes of voter registration.

**Has interest for this mortgage been deducted before?**

This interest has been deducted consistently in prior years.

**What is the investment interest deducted?**

This is the investment interest expense reported on the Form K-1 earning statement supplied to the Clintons by the Trustee of their blind trust. Interest expense was incurred on one or more of the investments placed in the blind trust, but because the trust is blind, we do not know the particular investment or investments.

**To whom did the Clintons make charitable contributions?**

**Were those contributions all in cash?**

Yes.

**How do the Clintons charitable contributions compare with prior years?**

The Clintons list charitable contributions of \$17,000 for 1993. In 1992, the Clintons made Charitable contributions of \$19,452.

**In prior years, the Clintons always deducted contributions of clothing and books. Why are there no such deductions on this years return?**

The only deductions claimed by the Clintons this year are the cash contributions to charitable organizations.

**Why did the Presidential Transition pay the Clintons' moving expenses?**

The Transition Foundation considered the payment of the moving expenses to be an appropriate part of its mission. These expenses were not paid from funds provided by the federal government. They were paid wholly from funds raised by individuals.

**Is there any precedent for such payments?**

We have no information about whether previous Transition organization paid this kind of expense.

**Who authorized the payment?**

The Board of Directors of the transition foundation.

**Who were the members of the Board?**

**Mickey Kantor, Vernon Jordan, Madeline Kunin, Mack McLarty, Henry Cisneros, Warren Christopher [and Doris Matsui].**

**Did the Clintons' have to lay out any money?  
No.**

**Is this legal?**

**Yes. The tax law requires the Clintons to include the amount reimbursed as income, and then allows the Clintons to include the same amount as an itemized deduction for moving expenses.**

**Was it legal for the transition to provide the money?**

**[Act from Cheryl]**

**Which provision of the tax code allows the Clinton to deduct moving expenses they never paid?**

**Section 217 of the Internal Revenue Code and the regulations promulgated thereunder.**

**Given that David Kendall represents the Clintons, how can it be that the Clintons have failed to report any legal expenses on their list of itemized deductions?**

**The Clintons did not establish their blind trust until July 1993. How come their return does not show any interest or dividend income for any of the assets placed in the blind trust, such as Value Partners?**

**With one exception, any interest or dividend income earned during the first half of 1993, before the Clintons' assets were placed in the blind trust, is included in the Stephens, Inc. and Liz Claiborne items on Schedule B. The sole exception is interest and dividend income that may have been earned during the first half of the year in the partnership Value Partners. That partnership reported the entire year's income to Boston Harbor Trust Co., the Trustee of the Blind Trust, and thus any interest or dividend income for the period January-July 1993 would have been included in the amounts reported by the trustee.**

**What about capital gains and losses for the period before assets were placed in the blind trust?**

The only capital gains for 1993 were reported by the Trustee of the blind trust. If Mrs. Clintons' investment in Value Partners produced any capital gains or losses during the first half of 1993, those would have been included in the capital gains reported by the trustee.

**Why haven't you taken steps to obtain this information on gains and losses on investments for the period prior to July 1993?**

Such information was included in the amounts reported by the Trustee, and it was not necessary to obtain any further information in order to complete the tax return.

**What assets are in the blind trust?**

The list of assets placed in the blind trust is publicly available from the Office of Government Ethics. It is an attachment to the blind trust agreement.

**Which assets created the interest and dividend income in the trust?**

We do not know. This is a blind trust.

**Which assets created the capital gains?**

Again, we do not know. This is a blind trust.

**What is the interest and dividend income from Fidelity Trust?**

**How did Mrs. Bush and other First Ladies treat this money they received?**

**What is Midlife Investments?**

As has been previously reported, Hillary Clinton was a co-investor with other Rose Law Firm partners in an investment-only partnership named Midlife Investments. Midlife had only one

source of income -- an investment in a limited partnership that invested several years ago in the production of a television movie, which netted \$2 in royalties to Mrs. Clinton in 1992 and \$3 in royalties in 1993.

**Why wasn't this placed in the blind trust?**

This was considered an asset with no value, as is reflected in the total of \$5 in royalties earned during 1992 and 1993.

**What is the \$3 income reported from Midlife?**

This was reported on the partnership K-1 as royalty income.

**What are the assets at Stephens Inc?**

The assets held by Stephens Inc. -- all of which were placed in the Clintons' blind trust -- were stock in TCBY and Walmart; investments in an Automated Government Money Trust fund and a Federated Government Cash Series; an interest bearing account; and Arkansas municipal bonds.

**What is the Liz Claiborne asset? Is it in the blind trust?**

This was Liz Claiborne stock held directly by Mrs. Clinton. This stock was placed in the blind trust.

**What are the accounts at Twin City Bank and Worthen Bank?**  
These were personal bank accounts of the Clintons.

**What is the tax-exempt interest income reported on the return?**  
This is interest earned principally from Arkansas state bonds. It also includes \$588 in interest from Cortland Municipal Money Market Fund, and \$41 from a Schwabb tax exempt money fund.

**What is the source of the taxable refund of state and local taxes?**

An Arkansas tax refund of \$2046.

**Please explain the \$142,528 pension and annuity amount included on line 17a. Does this include all pension and annuity interests placed in the blind trust?**

The amount on line 17a represents the amount rolled over from Mrs. Clintons' interest in Rose Law Firm retirement plans into an IRA that is now in the blind trust. It also includes amounts rolled over to IRAs now in the blind trust from two KEOUGH accounts of Mrs. Clinton. [The amount from Rose retirement plan was \$136,161; the amount from the KEOUGH accounts was \$6367.]

The Clintons' other pension and annuity interests were also placed in the blind trust, including certain IRA and SEPIRA accounts. When the custody of those accounts was transferred to the trustee, there was no distribution of assets, and thus no requirement to report the transfer on line 17a of the return.

**What is royalty income paid by the New York Times?**

This represents residuals from an op-ed article written by President Clinton [WHEN?]

**The President and First Lady have talked about the importance of savings. Why did they choose not to put money into an IRA account?**

**What is the investment interest expense reported on the return?**

This is investment interest expense reported by the blind trust. We do not know the particular liability within the blind trust that gave rise to that expense.

**Which is the property held for investment reported on Form 4952?**

This amount is all of the interest and dividend income reported, plus the \$3 royalty included on line 18 of the return.

**Explain the information in Part II of Form 4952, covering net investment income.**

This form is required to demonstrate that the interest payments deducted do not exceed net investment income reported on the return.

## **Q & A's - CLINTONS' 1993 TAX RETURNS**

**Who prepared the Clintons' return?**

Williams & Connelly retained Robert Jones to prepare the Clintons' returns. Mr. Jones is a member of the Washington, D.C. accounting firm of Hariton, Mancuso and Jones.

**Did Mr. Jones prepare the Clintons' 1992 return?**

No. That return was prepared by Yoly Redden of Redden & Company in Little Rock, Arkansas.

**Why did the Clintons switch accountants?**

Now that the Clintons are in Washington, they believed it appropriate to work with an accountant here.

**How do the Clintons' income and tax payments compare with 1992?**

For 1992, the Clintons paid \$70,228 in federal income tax on an Adjusted Gross Income of \$290,697. For 1993, the Clintons will be paying \$62,670 on Adjusted Gross Income of \$293,757. But that Adjusted Gross Income includes a one time income item of \$38,683, for moving expenses reimbursed by the Presidential Transition Planning Foundation -- an amount that the Clintons were entitled to deduct. When this item is excluded, the Clintons are actually paying \$62,670 on Adjusted Gross Income of only \$255,074.

**Is the Clintons' tax payment high or low for the amount of income they earned?**

With the one time moving expense item included in their Adjusted Gross Income, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income. When the moving expense is not included, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income.

According to the IRS's Fall 1993 Statistics of Income Bulletin, early tax estimates showed that taxpayers with Adjusted Gross Incomes over \$200,000 paid an average of \_\_\_% of their Adjusted Gross Income in taxes for 1992. According to the IRS's Spring 1993 Statistics of Income Bulletin, preliminary data showed that taxpayers with Adjusted Gross Incomes between \$200,000 and \$500,000 paid an average of 23.7% of their adjusted gross income in taxes in 1991, and an average of 23.3% of their adjusted gross

income in taxes in 1990. IRS Publication 1304 (8/93) taxpayers with Adjusted Gross Incomes between \$200,000 and \$300,000 paid an average of 22.6% of their Adjusted Gross Income in taxes in 1990, and 22.9% in 1989.

Thus, the Clintons tax payments for 1993 fall well within the average range for taxpayers with comparable incomes.

**Can you break down the wages and salaries reported on the 1993 return?**

The Clintons' wages and salaries of \$191,640 include the President's salary of \$189,167, representing income he earned beginning January 20, 1993 -- that is, less than a full year. The wages and salaries figure also includes \$2473 paid to the Clintons by EP Talent, for residuals the Clintons earned in 1993 for appearances on the Arsenio Hall Show -- specifically, \$2046 to the President and \$427 to Mrs. Clinton.

**To whom did the Clintons pay state and local taxes in 1992?**

With the exception of \$288 paid to California, the remainder of state and local taxes -- \$15,641 -- was paid to Arkansas. The payment to California was on income from residuals paid to the Clintons for appearances on the Arsenio Hall show.

**What is the \$66 personal property tax the Clintons deducted?**

This represents Arkansas tax paid on an automobile the Clintons own.

**What is the \$4659 in home mortgage interest deducted on the Clintons' return?**

This is the interest that the Clintons paid on their half of the mortgage on the residence in Little Rock, Arkansas, that is lived in year-round by Mrs. Clintons' mother and is also the Clintons' residence in Arkansas. This home is the Clintons' place of residence for purposes of state taxes and for purposes of voter registration.

**Has interest for this mortgage been deducted before?**

This interest has been deducted consistently in prior years.

**What is the investment interest deducted?**

This is the investment interest expense reported on the Form K-1 earning statement supplied to the Clintons by the Trustee of their blind trust. Interest expense was incurred on one or more of the investments placed in the blind trust, but because the trust is blind, we do not know the particular investment or investments.

**To whom did the Clintons make charitable contributions?**

**Were those contributions all in cash?**

Yes.

**How do the Clintons charitable contributions compare with prior years?**

The Clintons list charitable contributions of \$17,000 for 1993. In 1992, the Clintons made Charitable contributions of \$19,452.

**In prior years, the Clintons always deducted contributions of clothing and books. Why are there no such deductions on this years return?**

The only deductions claimed by the Clintons this year are the cash contributions to charitable organizations.

**Why did the Presidential Transition pay the Clintons' moving expenses?**

The Transition Foundation considered the payment of the moving expenses to be an appropriate part of its mission. These expenses were not paid from funds provided by the federal government. They were paid wholly from funds raised by individuals.

**Is there any precedent for such payments?**

We have no information about whether previous Transition organization paid this kind of expense.

**Who authorized the payment?**

The Board of Directors of the transition foundation.

**Who were the members of the Board?**

**Mickey Kantor, Vernon Jordan, Madeline Kunin, Mack McLarty, Henry Cisneros, Warren Christopher [and Doris Matsui].**

**Did the Clintons' have to lay out any money?**

**No.**

**Is this legal?**

**Yes. The tax law requires the Clintons to include the amount reimbursed as income, and then allows the Clintons to include the same amount as an itemized deduction for moving expenses.**

**Was it legal for the transition to provide the money?**

**[Act from Cheryl]**

**Which provision of the tax code allows the Clinton to deduct moving expenses they never paid?**

**Section 217 of the Internal Revenue Code and the regulations promulgated thereunder.**

**Given that David Kendall represents the Clintons, how can it be that the Clintons have failed to report any legal expenses on their list of itemized deductions?**

**The Clintons did not establish their blind trust until July 1993. How come their return does not show any interest or dividend income for any of the assets placed in the blind trust, such as Value Partners?**

**With one exception, any interest or dividend income earned during the first half of 1993, before the Clintons' assets were placed in the blind trust, is included in the Stephens, Inc. and Liz Claiborne items on Schedule B. The sole exception is interest and dividend income that may have been earned during the first half of the year in the partnership Value Partners. That partnership reported the entire year's income to Boston Harbor Trust Co., the Trustee of the Blind Trust, and thus any interest or dividend income for the period January-July 1993 would have been included in the amounts reported by the trustee.**

**What about capital gains and losses for the period before assets were placed in the blind trust?**

The only capital gains for 1993 were reported by the Trustee of the blind trust. If Mrs. Clintons' investment in Value Partners produced any capital gains or losses during the first half of 1993, those would have been included in the capital gains reported by the trustee.

**Why haven't you taken steps to obtain this information on gains and losses on investments for the period prior to July 1993?**

Such information was included in the amounts reported by the Trustee, and it was not necessary to obtain any further information in order to complete the tax return.

**What assets are in the blind trust?**

The list of assets placed in the blind trust is publicly available from the Office of Government Ethics. It is an attachment to the blind trust agreement.

**Which assets created the interest and dividend income in the trust?**

We do not know. This is a blind trust.

**Which assets created the capital gains?**

Again, we do not know. This is a blind trust.

**What is the interest and dividend income from Fidelity Trust?**

**How did Mrs. Bush and other First Ladies treat this money they received?**

**What is Midlife Investments?**

As has been previously reported, Hillary Clinton was a co-investor with other Rose Law Firm partners in an investment-only partnership named Midlife Investments. Midlife had only one

source of income -- an investment in a limited partnership that invested several years ago in the production of a television movie, which netted \$2 in royalties to Mrs. Clinton in 1992 and \$3 in royalties in 1993.

**Why wasn't this placed in the blind trust?**

This was considered an asset with no value, as is reflected in the total of \$5 in royalties earned during 1992 and 1993.

**What is the \$3 income reported from Midlife?**

This was reported on the partnership K-1 as royalty income.

**What are the assets at Stephens Inc?**

The assets held by Stephens Inc. -- all of which were placed in the Clintons' blind trust -- were stock in TCBY and Walmart; investments in an Automated Government Money Trust fund and a Federated Government Cash Series; an interest bearing account; and Arkansas municipal bonds.

**What is the Liz Claiborne asset? Is it in the blind trust?**

This was Liz Claiborne stock held directly by Mrs. Clinton. This stock was placed in the blind trust.

**What are the accounts at Twin City Bank and Worthen Bank?**

These were personal bank accounts of the Clintons.

**What is the tax-exempt interest income reported on the return?**

This is interest earned principally from Arkansas state bonds. It also includes \$588 in interest from Cortland Municipal Money Market Fund, and \$41 from a Schwabb tax exempt money fund.

**What is the source of the taxable refund of state and local taxes?**

An Arkansas tax refund of \$2046.

**Please explain the \$142,528 pension and annuity amount included on line 17a. Does this include all pension and annuity interests placed in the blind trust?**

The amount on line 17a represents the amount rolled over from Mrs. Clintons' interest in Rose Law Firm retirement plans into an IRA that is now in the blind trust. It also includes amounts rolled over to IRAs now in the blind trust from two KEOUGH accounts of Mrs. Clinton. [The amount from Rose retirement plan was \$136,161; the amount from the KEOUGH accounts was \$6367.]

The Clintons' other pension and annuity interests were also placed in the blind trust, including certain IRA and SEPIRA accounts. When the custody of those accounts was transferred to the trustee, there was no distribution of assets, and thus no requirement to report the transfer on line 17a of the return.

**What is royalty income paid by the New York Times?**

This represents residuals from an op-ed article written by President Clinton [WHEN?]

**The President and First Lady have talked about the importance of savings. Why did they choose not to put money into an IRA account?**

**What is the investment interest expense reported on the return?**

This is investment interest expense reported by the blind trust. We do not know the particular liability within the blind trust that gave rise to that expense.

**Which is the property held for investment reported on Form 4952?**

This amount is all of the interest and dividend income reported, plus the \$3 royalty included on line 18 of the return.

**Explain the information in Part II of Form 4952, covering net investment income.**

This form is required to demonstrate that the interest payments deducted do not exceed net investment income reported on the return.

Can you break down the wages and salaries reported on the 1993 return?

President: 189,167; EP Talent (residuals): 427(F), 2046(P)

To whom did the Clintons pay state and local taxes in 1992?

Almost all of it paid to Arkansas. \$288 paid to California, again for EP Talent. Remainder was to Arkansas, \$15,641.

What is the \$66 personal property tax the Clintons deducted?

Arkansas tax on their automobile.

What is the \$4659 in home mortgage interest?

Has interest for this loan been deducted before?

The interest that the Clintons paid on their half of the mortgage on the residence in Little Rock, Arkansas, that is lived in year round by Mrs. Clinton's mother and used as the Clintons' residence when they are in Arkansas. This residence is the Clintons' place of residence for purposes of voter registration and for determining residence for purposes of state taxes.

Has been deducted consistently in prior years.

What is the investment interest deducted?

Reported by the blind trust on its K-1. It means that the interest expense was incurred on one or more of the investments placed in the blind trust.

Which provision of the tax code allows the Clinton to deduct moving expenses they never paid?

Section 217 of the Internal Revenue Code and the regulations promulgated thereunder.

The Clintons did not establish their blind trust until July 1993. How come their return does not show any interest or dividend income for assets placed in the blind trust, such as Value Partners?

The only interest and dividend income for the first part of the year which was not reported separately is the income from Value Partners. All other interest and dividend income for the period prior to July 1993, when the blind trust was established, is reflected in the amounts of interest and dividend income shown for Stephens Inc. and Liz Claiborne. Partnership interest and

dividends for Value Partners were reported for the entire calendar year to the blind trustee.

But the capital gains and losses for the period prior to the creation of the blind trust are not shown?

The only capital gains were reported by the trustee of the blind trust. It is conceivable that some portion of those gains were earned in Value Partners prior to July 1993, although the only performance reports received from Value Partners during that period showed that Mrs. Clinton's investment suffered a loss.

Why haven't you obtained information on gains and losses on investments for the period prior to July 1993?

The K-1 reflects the year's transactions and provided all the information the accountant needed to prepare the return.

Which assets created the interest and dividend income in the trust? Which assets created the capital gains?

We do not know. This is, as the name says, a blind trust.

What is the \$3 income reported from Midlife?

Reported on the partnership K-1 as royalty income.

What are the assets at Stephens Inc? Is this in the blind trust? If no, why not?

Stock in TCBY, Walmart; Automated Government Money Trust; Interest bearing account; Federated Government Cash Series; and Arkansas municipal bonds. All in trust.

What is the Liz Claiborne asset? Is it in the blind trust?

Stock held directly by Mrs. Clinton. Now in blind trust.

What are the accounts at Twin City Bank and Worthen Bank?

Bank accounts.

What is the tax-exempt interest income reported on the return?

Primarily Arkansas bonds. Also \$588 from Cortland Municipal Money Market Fund; \$41 from Schwabb tax exempt money fund.

What is the source of the taxable refund of state and local taxes? How was this number calculated?

Arkansas tax refund. Total of 2046.

Which assets gave rise to the short term and long term capital gains listed on the return under Boston Harbor Trust Co?

We don't know. It is a blind trust.

The White House has stated that the Clintons lost money in Value Partners in the first half of 1993. Why does their return fail to show any losses for this investment?

The K-1 for the entire year showed the capital gain in the blind trust. We do not know the amount of gains or losses for any particular assets in the trust, including Value Partners.

Please explain the \$142,528 pension and annuity amount included on line 17a. Does this include all pension and annuity interests placed in the blind trust?

The amount in 17a represents the amount rolled over from the Rose Law Firm retirement plans into an IRA that is now in the blind trust -- \$136,161, as well as two KEOUGH accounts of Mrs. Clinton, totalling \$6,367.

Other pension and annuity interests were placed in the blind trust, including certain IRA and SEPIRA accounts. The custody of those accounts was transferred to the trustee, but there was no distribution of the assets in those accounts, and thus no requirement to report the transfer.

What is royalty income paid by the New York Times?

Residuals from an oped article written sometime in the past.

What is the investment interest expense reported on the return?  
Reported by the blind trust. We do not know the particular liability that gave rise to that.

Which is the property held for investment reported on Form 4952?

All of the interest and dividend income, plus the \$3 royalty in line 18.

Explain the information in Part II of Form 4952, covering net investment income.

This form is required to demonstrate that the interest payments deducted do not exceed net investment income.

## Q & A's - CLINTONS' 1993 TAX RETURNS

### **Who prepared the Clintons' return?**

Williams & Connelly retained Robert Jones to prepare the Clintons' returns. Mr. Jones is a member of the Washington, D.C. accounting firm of Hariton, Mancuso and Jones.

### **Did Mr. Jones prepare the Clintons' 1992 return?**

No. That return was prepared by Yoly Redden of Redden & Company in Little Rock, Arkansas.

### **Why did the Clintons switch accountants?**

Now that the Clintons are in Washington, they believed it appropriate to work with an accountant here.

### **How do the Clintons' income and tax payments compare with 1992?**

For 1992, the Clintons paid \$70,228 in federal income tax on an Adjusted Gross Income of \$290,697. For 1993, the Clintons will be paying \$62,670 on Adjusted Gross Income of \$293,757. But that Adjusted Gross Income includes a one time income item of \$38,683, for moving expenses reimbursed by the Presidential Transition Planning Foundation -- an amount that the Clintons were entitled to deduct. When this item is excluded, the Clintons are actually paying \$62,670 on Adjusted Gross Income of only \$255,074.

### **Is the Clintons' tax payment high or low for the amount of income they earned?**

With the one time moving expense item included in their Adjusted Gross Income, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income. When the moving expense is not included, the Clintons' tax payment represents \_\_\_% of their Adjusted Gross Income.

According to the IRS's Fall 1993 Statistics of Income Bulletin, early tax estimates showed that taxpayers with Adjusted Gross Incomes over \$200,000 paid an average of \_\_\_% of their Adjusted Gross Income in taxes for 1992. According to the IRS's Spring 1993 Statistics of Income Bulletin, preliminary data showed that taxpayers with Adjusted Gross Incomes between \$200,000 and \$500,000 paid an average of 23.7% of their adjusted gross income in taxes in 1991, and an average of 23.3% of their adjusted gross

income in taxes in 1990. IRS Publication 1304 (8/93) taxpayers with Adjusted Gross Incomes between \$200,000 and \$300,000 paid an average of 22.6% of their Adjusted Gross Income in taxes in 1990, and 22.9% in 1989.

Thus, the Clintons tax payments for 1993 fall well within the average range for taxpayers with comparable incomes.

**Can you break down the wages and salaries reported on the 1993 return?**

The Clintons' wages and salaries of \$191,640 include the President's salary of \$189,167, representing income he earned beginning January 20, 1993 -- that is, less than a full year. The wages and salaries figure also includes \$2473 paid to the Clintons by EP Talent, for residuals the Clintons earned in 1993 for appearances on the Arsenio Hall Show -- specifically, \$2046 to the President and \$427 to Mrs. Clinton.

**To whom did the Clintons pay state and local taxes in 1992?**

With the exception of \$288 paid to California, the remainder of state and local taxes -- \$15,641 -- was paid to Arkansas. The payment to California was on income from residuals paid to the Clintons for appearances on the Arsenio Hall show.

**What is the \$66 personal property tax the Clintons deducted?**

This represents Arkansas tax paid on an automobile the Clintons own.

**What is the \$4659 in home mortgage interest deducted on the Clintons' return?**

This is the interest that the Clintons paid on their half of the mortgage on the residence in Little Rock, Arkansas, that is lived in year-round by Mrs. Clintons' mother and is also the Clintons' residence in Arkansas. This home is the Clintons' place of residence for purposes of state taxes and for purposes of voter registration.

**Has interest for this mortgage been deducted before?**

This interest has been deducted consistently in prior years.

**What is the investment interest deducted?**

This is the investment interest expense reported on the Form K-1 earning statement supplied to the Clintons by the Trustee of their blind trust. Interest expense was incurred on one or more of the investments placed in the blind trust, but because the trust is blind, we do not know the particular investment or investments.

**To whom did the Clintons make charitable contributions?**

**Were those contributions all in cash?**

Yes.

**How do the Clintons charitable contributions compare with prior years?**

The Clintons list charitable contributions of \$17,000 for 1993. In 1992, the Clintons made Charitable contributions of \$19,452.

**In prior years, the Clintons always deducted contributions of clothing and books. Why are there no such deductions on this years return?**

The only deductions claimed by the Clintons this year are the cash contributions to charitable organizations.

**Why did the Presidential Transition pay the Clintons' moving expenses?**

The Transition Foundation considered the payment of the moving expenses to be an appropriate part of its mission. These expenses were not paid from funds provided by the federal government. They were paid wholly from funds raised by individuals.

**Is there any precedent for such payments?**

We have no information about whether previous Transition organization paid this kind of expense.

**Who authorized the payment?**

The Board of Directors of the transition foundation.

**Who were the members of the Board?**

Mickey Kantor, Vernon Jordan, Madeline Kunin, Mack McLarty, Henry Cisneros, Warren Christopher [and Doris Matsui].

**Did the Clintons' have to lay out any money?**

No.

**Is this legal?**

Yes. The tax law requires the Clintons to include the amount reimbursed as income, and then allows the Clintons to include the same amount as an itemized deduction for moving expenses.

**Was it legal for the transition to provide the money?**

[Act from Cheryl]

**Which provision of the tax code allows the Clinton to deduct moving expenses they never paid?**

Section 217 of the Internal Revenue Code and the regulations promulgated thereunder.

**Given that David Kendall represents the Clintons, how can it be that the Clintons have failed to report any legal expenses on their list of itemized deductions?**

**The Clintons did not establish their blind trust until July 1993. How come their return does not show any interest or dividend income for any of the assets placed in the blind trust, such as Value Partners?**

With one exception, any interest or dividend income earned during the first half of 1993, before the Clintons' assets were placed in the blind trust, is included in the Stephens, Inc. and Liz Claiborne items on Schedule B. The sole exception is interest and dividend income that may have been earned during the first half of the year in the partnership Value Partners. That partnership reported the entire year's income to Boston Harbor Trust Co., the Trustee of the Blind Trust, and thus any interest or dividend income for the period January-July 1993 would have been included in the amounts reported by the trustee.

**What about capital gains and losses for the period before assets were placed in the blind trust?**

The only capital gains for 1993 were reported by the Trustee of the blind trust. If Mrs. Clintons' investment in Value Partners produced any capital gains or losses during the first half of 1993, those would have been included in the capital gains reported by the trustee.

**Why haven't you taken steps to obtain this information on gains and losses on investments for the period prior to July 1993?**

Such information was included in the amounts reported by the Trustee, and it was not necessary to obtain any further information in order to complete the tax return.

**What assets are in the blind trust?**

The list of assets placed in the blind trust is publicly available from the Office of Government Ethics. It is an attachment to the blind trust agreement.

**Which assets created the interest and dividend income in the trust?**

We do not know. This is a blind trust.

**Which assets created the capital gains?**

Again, we do not know. This is a blind trust.

**What is the interest and dividend income from Fidelity Trust?**

**How did Mrs. Bush and other First Ladies treat this money they received?**

**What is Midlife Investments?**

As has been previously reported, Hillary Clinton was a co-investor with other Rose Law Firm partners in an investment-only partnership named Midlife Investments. Midlife had only one

source of income -- an investment in a limited partnership that invested several years ago in the production of a television movie, which netted \$2 in royalties to Mrs. Clinton in 1992 and \$3 in royalties in 1993.

**Why wasn't this placed in the blind trust?**

This was considered an asset with no value, as is reflected in the total of \$5 in royalties earned during 1992 and 1993.

**What is the \$3 income reported from Midlife?**

This was reported on the partnership K-1 as royalty income.

**What are the assets at Stephens Inc?**

The assets held by Stephens Inc. -- all of which were placed in the Clintons' blind trust -- were stock in TCBY and Walmart; investments in an Automated Government Money Trust fund and a Federated Government Cash Series; an interest bearing account; and Arkansas municipal bonds.

**What is the Liz Claiborne asset? Is it in the blind trust?**

This was Liz Claiborne stock held directly by Mrs. Clinton. This stock was placed in the blind trust.

**What are the accounts at Twin City Bank and Worthen Bank?**

These were personal bank accounts of the Clintons.

**What is the tax-exempt interest income reported on the return?**

This is interest earned principally from Arkansas state bonds. It also includes \$588 in interest from Cortland Municipal Money Market Fund, and \$41 from a Schwabb tax exempt money fund.

**What is the source of the taxable refund of state and local taxes?**

An Arkansas tax refund of \$2046.

**Please explain the \$142,528 pension and annuity amount included on line 17a. Does this include all pension and annuity interests placed in the blind trust?**

The amount on line 17a represents the amount rolled over from Mrs. Clintons' interest in Rose Law Firm retirement plans into an IRA that is now in the blind trust. It also includes amounts rolled over to IRAs now in the blind trust from two KEOUGH accounts of Mrs. Clinton. [The amount from Rose retirement plan was \$136,161; the amount from the KEOUGH accounts was \$6367.]

The Clintons' other pension and annuity interests were also placed in the blind trust, including certain IRA and SEPIRA accounts. When the custody of those accounts was transferred to the trustee, there was no distribution of assets, and thus no requirement to report the transfer on line 17a of the return.

**What is royalty income paid by the New York Times?**

This represents residuals from an op-ed article written by President Clinton [WHEN?]

**The President and First Lady have talked about the importance of savings. Why did they choose not to put money into an IRA account?**

**What is the investment interest expense reported on the return?**

This is investment interest expense reported by the blind trust. We do not know the particular liability within the blind trust that gave rise to that expense.

**Which is the property held for investment reported on Form 4952?**

This amount is all of the interest and dividend income reported, plus the \$3 royalty included on line 18 of the return.

**Explain the information in Part II of Form 4952, covering net investment income.**

This form is required to demonstrate that the interest payments deducted do not exceed net investment income reported on the return.

## TALKING POINTS ON BLIND TRUST

- A copy of the executed trust document was filed with the Office of Government Ethics on July 26, 1993.
- A list of the assets transferred to each trust was also filed with the Office of Government Ethics on July 26, 1993.
- The list of the assets transferred to each trust reflects the assets listed on the President's financial disclosure form, as amended. (An amendment to the form was filed with the Office of Government Ethics in late July. That form and the amendment are publicly available at that office, and should be obtained there.) All assets transferred to the trust have been disclosed on the President's financial disclosure form.
- Boston Harbor Trust Company, N.A., is the Independent Trustee of the blind trust.
- Essex Investment Management Company, Inc., is the Investment Manager of the blind trust.
- The trust has been certified (i.e., approved) by the Office of Government Ethics.
- Federal law -- the Ethics in Government Act of 1978, as amended -- requires that the blind trust documents be filed with the Office of Government Ethics, and that the trust document be made publicly available by that Office.
- Copies of the trust document should be obtained from the Office of Government Ethics, as the law provides.
- Williams & Connelly and Bob Barnett played no role in the creation of the blind trust. The blind trust documents were prepared by the Rose Law Firm of Little Rock, Arkansas. [Specifically, C. Brantley Buck.]
- Vince Foster did not prepare the blind trust documents. Rather, in his capacity as Deputy White House Counsel, his role was to inform the First Family and their attorneys of the special federal requirements, set forth in the Ethics in Government Act, for creation of a blind trust by the President. The White House Counsel's Office acted as a watchdog to ensure compliance with those requirements. This is analogous to the role that the White House Counsel's Office regularly plays when it ensures compliance by White House personnel with federal ethics rules, including in connection with the preparation of their financial disclosure forms (which are also filed with the Office of Government Ethics).

-- Pursuant to the terms of the blind trust, the First Family will not participate in any way in decisions relating to the management and investment of their assets. The First Family has made no contact with the Independent Trustee or the Investment Manager.