Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	For Kathleen Whalen and Marvin Krislov from Gregg Burgess. Subject: Appointment of Harold Pote.[partial-personal] (3 pages)	02/12/1996	P2, P5, b(6)
002. report	Internal Revenue Service Memorandum. [26 USC 6103] (2 pages)	02/12/1996	P3/b(3)
003. form	OGE-450 Financial Disclosure Report. [5 USC app. §107(a)] (7 pages)	01/16/1996	P3/b(3), P4/b(4)
004. memo	To Marvin Krislov from Randall Lewis. Subject: Interview with Harold Pote. (3 pages)	02/09/1996	P6/b(6)
005. report	Harold W. Pote: Candidate for Member (PA) of the Presidential Foreign Intelligence Advisory Board. (2 pages)	1996	P2, P5
006. report	Harold W. Pote: Candidate for Member of the Presidential Foreign Intelligence Advisory Board. (2 pages)	1993	P2, P5
007a. report	Personal Data Statement Questionnaire. [partial] (1 page)	1996	P6/b(6)
007b. resume	Personal. [partial] (1 page)	1996	P6/b(6)
007c. report	Personal Data Statement Questionnaire attachments. (2 pages)	1996	P6/b(6)
008. form	Supplement to Standard Form 86. (2 pages)	01/25/1996	P6/b(6)
009a. report	Personal Data Statement Questionnaire. [partial] (1 page)	1993	P6/b(6)
009b. resume	Personal. [partial] (1 page)	1993	P6/b(6)

COLLECTION:

Clinton Presidential Records
Counsel's Office

OA/Box Number: CF 1563

FOLDER TITLE:

[Appointees] Pote, Harold [1]

Van Zbinden
2006-1002-F
vz363

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]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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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.

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Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009c. report	Personal Data Statement Questionnaire attachments. (3 pages)	1993	P6/b(6)
010. form	SF-86. (11 pages)	05/02/1993	P6/b(6)

COLLECTION:
Clinton Presidential Records
Counsel's Office

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Van Zbinden
2006-1002-F
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Ok MM 2/28/96
OK KMW 2/29/96

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR KATHLEEN WHALEN
ASSOCIATE COUNSEL TO THE PRESIDENT

MARVIN KRISLOV
ASSOCIATE COUNSEL TO THE PRESIDENT

FROM: W. Gregg Burgess WGB

DATE: February 12, 1996

CANDIDATE: Harold William Pote

POSITION: Member, President's Foreign Intelligence Advisory Board

CONCLUSION: Assuming other background checks do not suggest a contrary conclusion, this nomination may proceed.

This memorandum is based on my review of the attached file, which contains the following:

XX SF 278 or **SF 450**;
XX SF 86;
XX WH PDS;
__ IRS Memorandum; and
XX Vetting Report.

Process of Review

I have reviewed Mr. Pote's SF 450 as submitted and other relevant information from the file with Frank Fountain, General Counsel and Designated Agency Ethics Official (DAEO) of the President's Foreign Intelligence Advisory Board (PFIAB). We have discussed all of the necessary corrections to the SF 450 and I have been assured that they will be made. (Mr. Fountain has retained the original.) Mr. Fountain and I agree that Mr. Pote's SF 450 disclosures present no insurmountable conflicts of interest with his proposed reappointment as Member of the PFIAB.

Conflicts Discussion

1. Background on the PFIAB

The PFIAB was established by the President to assess the quality, quantity, and adequacy of intelligence collection, of analysis and estimates, and of counterintelligence and other intelligence activities; to continually review the performance of

[001]

- General Partner of The Beacon Group; and
- Chairman of PBS Properties, Inc.

5. Agreements or Arrangements

On Part IV of the SF 450, Mr. Pote has included his vested interest in First Fidelity Bank's defined benefit pension plan as a result of his past employment.

6. Ethics Agreement

It is the opinion of Mr. Fountain and I that none of Mr. Pote's interests nor his outside affiliations should pose a problem to his reappointment since any problems can be handled by the usual avenues for resolution of conflicts of interest.

Other Potentially Relevant Information

Mr. Pote is currently being audited by the State of New York. Although the audit is in its early stages, Mr. Pote believes it will involve the 1992 and 1993 tax years. He says it will likely focus on his place of residence for tax purposes since he lived in Philadelphia while working in New York.

(b)(6)

The public records search on Mr. Pote revealed a few adversarial articles relating to him. One questioned the appearance of conflicts of interest with his position on PFIAB relating to his financial interests. Two articles related to Mr. Pote's well-publicized resignation from First Fidelity Corporation in December 1988. Summaries of these articles are in the file.

In my opinion, there are no other items contained in the file that may be of potential interest.

* * * * *

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Initials: VL Date: 09/02/2010
2006-1002-F

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HAROLD WILLIAM POTE
Candidate for Member (PA)
Presidential Foreign Intelligence Advisory Board

Harold William Pote, 49, is a General Partner in the Beacon Group and is Chairman of PBS Properties, Inc. He has been a member of the President's Foreign Intelligence Advisory Board since 1993.[1]

On a Potential Conflict of Interest

An April 24, 1995, article in the NATION discussed the Clinton Administration's handling of "revelations" of links between the Central Intelligence Agency and the Guatemalan military. The article criticized the President's call for a review of the situation by the Intelligence Oversight Board (IOB), a standing committee of the President's Foreign Intelligence Advisory Board (PFIAB). The IOB has made a few inquiries since its reorganization by President Clinton in 1993, and, although the number and results of these inquiries are unknown, the identities of the IOB are known. After commenting that none of them has a reputation as a watch dog, the author discussed the three members of the IOB, including Mr. Pote. About Mr. Pote, the author wrote, "This very model of the modern banking C.E.O. abruptly abandoned his post in 1988 when First Fidelity was hit by a $180 million loss. American Banker reported that Pote had not taken sufficient precautions. He rebounded from this setback, helping to found the Beacon Group, which operates an energy investment fund of more than $658 million." In 1993, Mr. Pote became President of Mil-brooke, a United States-Russian joint venture to sell and service helicopters originally built for the Warsaw Pact, and questioned whether Mr. Pote, as a member of PFIAB, "ever gained access to information that would be useful to his private financial endeavors." After reporting that Mr. Pote's assistant had stated that Mr. Pote was no-longer President of Mil-brooke, the author, somewhat cynically, noted that the assistant refused to say whether Mr. Pote remains associated with Mil-brooke.

On His Departure from First Fidelity

According to the October 10, 1993, PLAIN DEALER, "First Fidelity's CEO, Harold Pote . . . ended up losing his job when problem loans suddenly surfaced." Similarly, an April 5, 1994, article in the LEGAL INTELLIGENCER discussed a lawsuit brought by First Fidelity against its insurance company for failure to consent to a

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[1] This vet is an update of a vet written on March 30, 1993. Please see the attached for additional information on Mr. Pote's background and potential issues.

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settlement offer. The article described the subject of the settlement as a lawsuit brought by shareholders of First Fidelity who claimed that the bank had lost $450 million after "months of alleged inflating of the price of its stock" and alleged "insider trading" by bank officers. The article stated that the shareholder suit "came on the heels of First Fidelity's announcement in December 1988 that its CEO and president, Harold Pote, had resigned, and that it planned to add up to $300 million to its loan loss reserves."

Aside from the above, a limited review of the available public record revealed no information that might bear negatively on Mr. Pote's candidacy, generate controversy, or disqualify him from serving as a member of the President's Foreign Intelligence Advisory Board.

January 30, 1996

Privileged and ~~Confidential~~

HAROLD W. POTE
Candidate for Member of the
Presidential Foreign Intelligence Advisory Board

Harold Pote, forty-six years old, is best known in his former role as president and chief executive officer of First Fidelity Bancorporation. He graduated from Princeton University with an A.B. in economics and from Harvard University Graduate School of Business with an M.B.A. Mr. Pote serves on the boards of Norfolk Southern Corp., Turecamo Maritime Inc., and CMS, Inc. He previously served on the board of SmithKline Beckman Corp. prior to its merger with Beecham Ltd.

Mr. Pote was the so-called "whiz kid and fair-haired boy" of Philadelphia banking circles prior to his resignation from First Fidelity in 1988. He had started his banking career with Philadelphia's Fidelcor in 1972 and became its director of investor relations in 1974. He was named vice president and head of the corporate development department in 1976, executive vice president in 1980 and head of the financial and planning department in 1981. In this meteoric rise, Mr. Pote was said to have "dazzled" the banking industry. Upon becoming the CEO of Fidelcor in 1984, he presented himself "not as a traditional banker but rather as a corporate executive who happened to be managing a bank." Mr. Pote was the linchpin in Fidelcor's merger with First Fidelity in 1988, and investors praised the merger in large part because of Mr. Pote's continued management of the surviving corporation. Within months of the merger, however, Mr. Pote resigned upon the disclosure that the bank would post a loss of $145 million to $190 million for the year. As the losses were based on poor loans from the Fidelcor side of the merger, there were some who criticized Mr. Pote as simply not "minding the store." There are unsubstantiated allegations that Mr. Pote was aware during the merger negotiations of problems with certain loans and avoided taking loss provisions in 1987 in order to maintain solid earnings growth, thus setting the stage for the merger. Others alleged that Mr. Pote was forced out of the combined entity as a way for the executives of First Fidelity's New Jersey division to gain control. Twenty-one securities class actions and a derivative suit were commenced by shareholders of First Fidelity alleging that the bank and its officers and directors misrepresented and omitted material information concerning loans, business operations and financial conditions. The suits were settled in 1990 for $30,000,000 for the class actions and $15,000,000 for the derivative claims. For a three-year period following his resignation, Mr. Pote continued to receive his $525,000 per year salary plus fringe benefits from the bank.

In the short biography submitted to OPP, Mr. Pote is described as having joined the Brooke Group, Ltd. in February 1991 (the parent company of the Liggett Group and one of the big six tobacco companies). Moody's Industrial Manual for 1992 -- listing officers and directors of major corporations as of December 1991 -- is notable in the absence of Mr. Pote in the Brooke Group's entry. The cover memorandum transmitting the biography notes that Mr. Pote served in a "previous government position." No information was available as to the nature of this service.

A review of the available public record suggests that Mr. Pote should be questioned on his relationship, if any, with the Brooke Group. Additionally, some consideration should be given to his role in delaying the loss provisions until the consummation of the merger with First Fidelity. Finally, the nature of Mr. Pote's government service, if any, should be ascertained. Beyond these questions, the review of the public record revealed no additional facts that would disqualify Mr. Pote for the position or that would bear negatively on his appointment.

March 30, 1993

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. form	Interview Completion Form with annotations. (1 page)	1993	P2, P5
002. report	Harold W. Pote: Candidate for Member of the President's Foreign Intelligence Advisory Board. (2 pages)	1993	P2, P5
003a. report	Personal Data Statement Questionnaire. [partial] (1 page)	1993	P6/b(6)
003b. resume	Personal. [partial] (1 page)	1993	P6/b(6)
003c. report	Personal Data Statement Questionnaire attached information. (3 pages)	1993	P6/b(6)
004. report	SF 86. (11 pages)	05/02/1993	P6/b(6)
005. report	Internal Revenue Service Memorandum. [26 USC 6103]. (2 pages)	05/13/1993	P3/b(3)
006. form	Immigration and Naturalization Service N550-C. (1 page)	04/24/1990	P6/b(6)
007. form	OGE-450. Confidential Financial Disclosure Report. [5 USC app. §107(a)]. (7 pages)	05/02/1993	P3/b(3), P4/b(4)

COLLECTION:

Clinton Presidential Records
Counsel's Office
Jane Schaffner
OA/Box Number: CF 1638

FOLDER TITLE:

Pote, Harold [1]

Van Zbinden
2006-1002-F
vz361

RESTRICTION CODES

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Review this file

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Initials: VZ Date: 09/02/2010
2006-1002-F

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OFFICE OF COUNSEL TO THE PRESIDENT

Interview Completion Form

NAME OF CANDIDATE: Harold Pote **TELEPHONE:** 212-339-9176

DEPARTMENT/POSITION: Member, PFIAB **CANDIDATE'S COUNSEL:**

ACTION:

_____ Interview Completed; No Follow-Up Required

Note: ① See memo on country club.

_____ Follow-Up Required:

I. Domestic Help

② Has agreed to make all back payments for housecleaner.

II. Financial

③ Pote was CEO of First Fidelity Bancorporation. Bank reported huge losses due to bad real estate loans made by bank's subsidiary, Fidelity Bank of Philadelphia. Pote, after announcement of losses, was forced to resign in an intra-company battle for power.

III. Other

SEC investigated bank but decided not to prosecute. Pote named in shareholder suits but never held personally liable. Was indemnified by bank's board. Suits all settled.

_____ HOLD UP NOMINATION

Note: Called Pote to inquire re: Galy on 6/22 -- Pote says Galy subject of a number of rumors but never investigated or prosecuted. Pote had nothing to do with Galy - did not oversee Galy's loan portfolio. Investigation by bank board of Galy turned up no evidence of wrongdoing by Galy

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PERSONS CONSULTED:

ATTORNEY IN CHARGE:

Gary Ginsberg

DATE OF INTERVIEW:

COPY

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Initials: VZ Date: 09/03/2010

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HAROLD W. POTE
Candidate for Member of the
Presidential Foreign Intelligence Advisory Board

Harold Pote, forty-six years old, is best known in his former role as president and chief executive officer of First Fidelity Bancorporation. He graduated from Princeton University with an A.B. in economics and from Harvard University Graduate School of Business with an M.B.A. Mr. Pote serves on the boards of Norfolk Southern Corp., Turecamo Maritime Inc., and CMS, Inc. He previously served on the board of SmithKline Beckman Corp. prior to its merger with Beecham Ltd.

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001. memo	Internal Revenue Service Memorandum. [26 USC 6103] (1 page)	12/10/1999	P3/b(3)
002. note	Handwritten notes related to appointment of Harold Pote. (1 page)	12/10/1999	P2, P5, b(6)
003. memo	For Lisa Winston from Christine Puffer. Subject: Follow-Up (1 page)	03/26/1999	P2, P5, b(6)
004. form	Immigration and Naturalization Service N550-C. (1 page)	04/24/1990	P6/b(6)
005. form	Office of Counsel to the President Interview of Proposed Presidential Sub-Cabinet Appointee. (11 pages)	01/25/1999	P6/b(6)
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009. form	Supplement to Standard Form 86. (2 pages)	1995	P6/b(6)
010. note	Harold W. Pote with annotations. [partial-name] (1 page)	03/19/1999	P2, P5, b(6)
011. form	OGE-450. Confidential Financial Disclosure Form. [5 USC app. §107(a)]. (2 pages)	12/22/1998	P3/b(3), P4/b(4)
012a. report	Harold William Pote: Candidate for Member (PA) Presidential Foreign Advisory Board. (2 pages)	01/30/1996	P2, P5

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013b. report	Duplicate of 012b. (2 pages)	03/30/1996	P2, P5
014a. report	Duplicate of 012a. (2 pages)	01/30/1996	P2, P5
014b. report	Duplicate of 012b. (2 pages)	03/30/1996	P2, P5

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Initials: VZ Date: 09/02/2010
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HAROLD WILLIAM POTE
Candidate for Member (PA)
Presidential Foreign Intelligence Advisory Board

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On a Potential Conflict of Interest

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January 30, 1996

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 12958 as amended, Sec. 3.2 (c)
Initials: Vz Date: 09/02/2010
2006-1002-F

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HAROLD W. POTE
Candidate for Member of the
Presidential Foreign Intelligence Advisory Board

Harold Pote, forty-six years old, is best known in his former role as president and chief executive officer of First Fidelity Bancorporation. He graduated from Princeton University with an A.B. in economics and from Harvard University Graduate School of Business with an M.B.A. Mr. Pote serves on the boards of Norfolk Southern Corp., Turecamo Maritime Inc., and CMS, Inc. He previously served on the board of SmithKline Beckman Corp. prior to its merger with Beecham Ltd.

Mr. Pote was the so-called "whiz kid and fair-haired boy" of Philadelphia banking circles prior to his resignation from First Fidelity in 1988. He had started his banking career with Philadelphia's Fidelcor in 1972 and became its director of investor relations in 1974. He was named vice president and head of the corporate development department in 1976, executive vice president in 1980 and head of the financial and planning department in 1981. In this meteoric rise, Mr. Pote was said to have "dazzled" the banking industry. Upon becoming the CEO of Fidelcor in 1984, he presented himself "not as a traditional banker but rather as a corporate executive who happened to be managing a bank." Mr. Pote was the linchpin in Fidelcor's merger with First Fidelity in 1988, and investors praised the merger in large part because of Mr. Pote's continued management of the surviving corporation. Within months of the merger, however, Mr. Pote resigned upon the disclosure that the bank would post a loss of $145 million to $190 million for the year. As the losses were based on poor loans from the Fidelcor side of the merger, there were some who criticized Mr. Pote as simply not "minding the store." There are unsubstantiated allegations that Mr. Pote was aware during the merger negotiations of problems with certain loans and avoided taking loss provisions in 1987 in order to maintain solid earnings growth, thus setting the stage for the merger. Others alleged that Mr. Pote was forced out of the combined entity as a way for the executives of First Fidelity's New Jersey division to gain control. Twenty-one securities class actions and a derivative suit were commenced by shareholders of First Fidelity alleging that the bank and its officers and directors misrepresented and omitted material information concerning loans, business operations and financial conditions. The suits were settled in 1990 for $30,000,000 for the class actions and $15,000,000 for the derivative claims. For a three-year period following his resignation, Mr. Pote continued to receive his $525,000 per year salary plus fringe benefits from the bank.

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