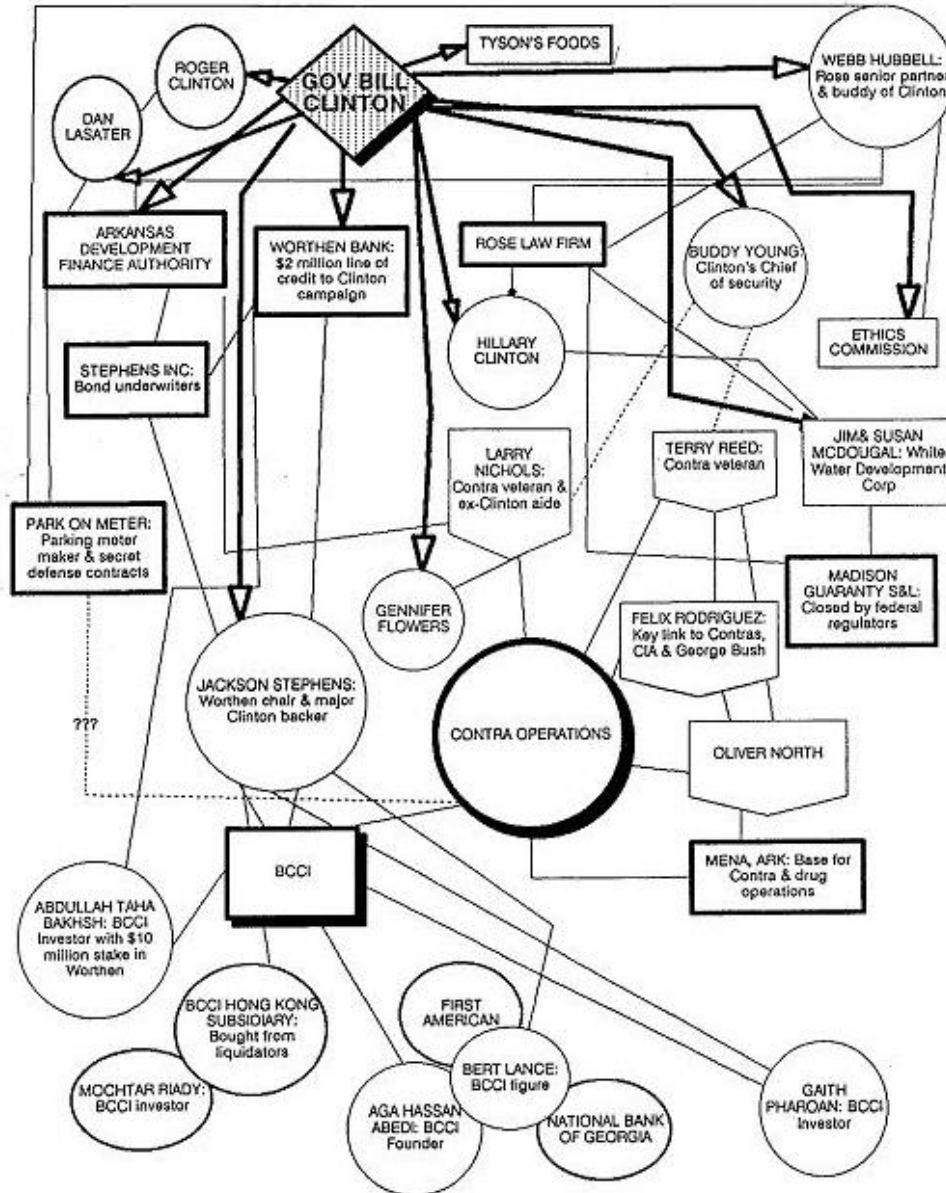


# Arkansas Connections



A CHART THAT APPEARED IN THE PROGRESSIVE REVIEW, MAY 1992

The media tried to turn the Clinton story into Camelot II.  
Just the truth would have made life easier for all of us.  
And a much better tale as well.

Sam Smith

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## 1950s

When Bill Clinton is 7, his family moves from Hope, Arkansas, to the long-time mob resort of Hot Springs, AR. Here Al Capone is said to have had permanent rights to suite 443 of the Arlington Hotel. Clinton's stepfather is a gun-brandishing alcoholic who loses his Buick franchise through mismanagement and his own pilfering. He physically abuses his family, including the young Bill. His mother is a heavy gambler with mob ties. According to FBI and local police officials, his Uncle Raymond -- to whom young Bill turns for wisdom and support -- is a colorful car dealer, slot machine owner and gambling operator, who thrives (except when his house is firebombed) on the fault line of criminality.

**Paul Bosson, Hot Springs Prosecutor** - In Hot Springs, growing up here, you were living a lie. You lived a lie because you knew that all of these activities were illegal. I mean, as soon as you got old enough to be able to read a newspaper, you knew that gambling in Arkansas was illegal, prostitution was illegal. And so you lived this lie, so you have to find some way to justify that to yourself and, you know, you justify it by saying, "Well," you know, "it's okay here."

**Virginia Kelly, Clinton's mother (1923-1994)** - Hot Springs was so different. We had wide-open gambling, for one thing, and it was so wide open that it never occurred to me that it was illegal - it really didn't - until it came to a vote about whether we were going to legalize gambling or not. I never was so shocked.

### HOT SPRINGS BEFORE THE CLINTONS

In the 1930s, Hot Springs represented the western border of organized crime in the U.S with the local syndicate headed by Owney Madden, a New York killer who had taken over the mob's resort in Arkansas. Owney Madden was an English born gang member who had been arrested more than 40 times in New York by the time he was 21. Madden got the assignment from his boss, Myer Lansky. The plan for Arkansas was modeled on an earlier one in which Governor Huey Long opened a Swiss bank account into which the mob would put \$3 to \$4 million annually for the right to run casinos in the state. Lansky then moved to Hot Springs where he hired Madden, former operator of Harlem's Cotton Club. According to one account, "The Hot Springs set up was so luxurious and safe that it became known as a place for gangsters on the lam to hole up until the heat blew over."

Hot Springs was where Lucky Luciano was arrested and brought back for trial prosecuted by Thomas E. Dewey. According to [one account](#), "Dewey proclaimed Luciano Public Enemy No 1, and a grand jury returned a criminal indictment against him that carried a maximum penalty of 1,950 years. . . He was arrested in Hot Springs, Arkansas, and extradited back to New York. There, in the New York State Supreme Court he was tried, and on June 7, the verdict of guilty was returned. Eleven days later, he was sentenced to a total of from 30-to-50 years in state prison. It was the longest sentence ever handed out for compulsory prostitution."

**[THE DICE MAN](#)** - There is evidence that many syndicate groups became involved in Hot Springs. Owney Madden was the overseer of everything and watched out for the New York mob's interests. Morris Kleinman, who was one of the founding gangsters of the Cleveland syndicate spent much time in Hot Springs. It is rumored that the Cleveland boys had pieces of the profits from Hot Springs gambling. Johnny Roselli, an "upper level" member of the Chicago mob was a silent partner in many Hot Springs casinos in the 1940's and 1950's, as was Frank Costello. All of these groups used local operators as "fronts", a system perfected by the Cleveland syndicate in Ohio, Florida, and Kentucky. Since Hot Springs was a very popular tourist spot, the command went out from the different syndicates that there should be no murders carried out in Hot Springs. This would be the rule in Las Vegas too. If bodies littered the streets like in Chicago, it

would only hurt business. Also "petty" crimes like burglary and armed robbery were not to be tolerated. If the suckers weren't comfortable, they wouldn't come to Hot Springs.

Owney Madden laid the groundwork for gangsters on the lam to hide out in Hot Springs. The city had a resort-like atmosphere and elegant nightlife, with people coming and going all the time. This was the perfect situation to "hide" mobsters who couldn't be seen in their hometowns. Al Capone would stay at the Arlington Hotel when things got too hot in Chicago. . . .

## 1960s

A federal investigation concludes that Hot Springs has the largest illegal gambling operations in the United States.

Clinton goes to Georgetown University where he finds a mentor in Professor Carroll Quigley. Quigley writes: "That the two political parties should represent opposed ideals and policies. . . is a foolish idea. Instead, the two parties should be almost identical . . . The policies that are vital and necessary for America are no longer subjects of significant disagreement, but are disputable only in detail, procedure, priority, or method. "

Bill Clinton, according to several agency sources interviewed by biographer Roger Morris, works as a CIA informer while briefly and erratically a Rhodes Scholar in England. Although without visible means of support, he travels around Europe and the Soviet Union, staying at the ritziest hotel in Moscow. During this period the US government is using well educated assets such as Clinton as part of Operation Chaos, a major attempt to break student resistance to the war and the draft. According to former White House FBI agent Gary Aldrich Clinton is told by Oxford officials that he is no longer welcome there.

Bill Clinton and his friend Jim McDougal get a job in the office of Senator J. William Fulbright. The Washington Post will later write, "McDougal was interested in making money while Clinton was obsessed with political stature."

After becoming involved in politics, Wellesley graduate Hillary Rodham will order her senior thesis sealed from public view.

## 1969

Bill Clinton fails to report to his duty station at the University of Arkansas ROTC. Reclassified 1-A on October 30, 1969, as enlistment with Army Reserves is revoked by Colonel E. Holmes.

## 1974

27 year old Clinton, only months out of Yale Law School, is back in Arkansas eager to run for Congress. Roger Morris writes later, "A relative unknown, he faces an imposing field of rivals in the Democratic primary, and beyond, in the general election, a powerful Republican incumbent. Yet as soon as he enters the race, Mr. Clinton enjoys a decisive seven-to-one advantage in campaign funds over the nearest Democratic competitor, and will spend twice as much as his well-supported GOP opponent. It begins with a quiet meeting at his mother's house in Hot Springs. Around the kitchen table, as Virginia Clinton will describe the scene, avid young Billy meets with two of his most crucial early backers -- uncle Raymond G. Clinton, a prosperous local Buick dealer, and family friend and wealthy businessman Gabe Crawford. As they talk, Mr. Crawford offers the candidate unlimited use of his private plane, and Uncle Raymond not only provides several houses around the district to serve as campaign headquarters, but will secure a \$10,000 loan to Bill from the First National Bank of Hot Springs - an amount then equal to the yearly income of many Arkansas families. Together, the money and aircraft and other gifts, including thousands more in

secret donations, will launch Mr. Clinton in the most richly financed race in the annals of Arkansas -- and ultimately onto the most richly financed political career in American history. Though he loses narrowly, his showing is so impressive, especially in his capacity to attract such money and favours, that he rises rapidly to become state attorney-general, then governor, and eventually, with much the same backing and advantage, president of the United States . . . No mere businessman with a spare plane, Gabe Crawford presided over a backroom bookie operation that was one of Hot Springs' most lucrative criminal enterprises. [And the] inimitable Uncle Raymond - who had also played a pivotal behind-the-scenes role in keeping young Bill out of the Vietnam draft - was far more than an auto dealer. In the nationally prominent fount of vice and corruption that was Hot Springs from the 1920s to the 1980s (its barely concealed casinos generated more income than Las Vegas well into the 1960s), the uncle's Buick agency and other businesses and real estate were widely thought to be facades for illegal gambling, drug money laundering and other ventures, in which Raymond was a partner. He was a minion of the organized crime overlord who controlled the American Middle South for decades, New Orleans boss Carlos Marcello or "Mafia Kingfish" as his biographer John Davis called him."

## 1976

Bill Clinton is elected attorney general of Arkansas.

Two Indonesian billionaires come to Arkansas. Mochtar Riady and Liem Sioe Liong are close to Suharto. Riady is looking for an American bank to buy. Finds Jackson Stephens with whom he forms Stephens Finance. Stephens will broker the arrival of BCCI to this country and steer BCCI's founder, Hassan Abedi, to Bert Lance.

Riady's teen-age son is taken on as an intern by Stephens Inc. He later says he was "sponsored" by Bill Clinton.

## 1977

Hillary Clinton joins the Rose Law Firm.

Apparently because of pressure from Indonesia, Riady withdraws his bid to buy Lance's 30% share of the National Bank of Georgia. Instead, a BCCI front man buys the shares and Abedi moves to secretly take over Financial General - later First American Bankshares -- later the subject of the only BCCI-connected scandal to be prosecuted in the US.

## 1978

Clinton is elected governor.

The Clintons and McDougals buy land in the Ozarks for \$203,000 with mostly borrowed funds. The Clintons get 50% interest with no cash down. The 203 acre plot, known as Whitewater, is fifty miles from the nearest grocery store. The Washington Post will report later that some purchasers of lots, many of them retirees, "put up houses or cabins, others slept in vans or tents, hoping to be able to live off the land." More than half of the purchasers will lose their plots thanks to the sleazy form of financing used.

Two months after commencing the Whitewater scam, Hillary Clinton invests \$1,000 in cattle futures. Within a few days she has a \$5,000 profit. Before bailing out she earns nearly \$100,000 on her investment. Many years later, several economists will calculate that the chances of earning such returns legally were one in 250 million.

Governor Clinton appoints Jim McDougal an economic development advisor.

Bill Clinton's mother hangs out at the race track with mobsters and other local figures, including Dan Lasater who breeds race horses in Kentucky and Florida and has a box at the track next to hers. Mrs. Clinton introduces Lasater to Roger Clinton.

More than a few Little Rock insiders believe Hillary Clinton is having an affair with Vince Foster.

Roger Clinton develops a four-gram a day cocaine habit, getting his stuff from New York and Medellin suppliers, based (as one middleman will later testify) on "who his brother was." Sharlene Wilson is one of his dealers. Dan Lasater will give Roger work and loan him \$8,000 to pay off a drug debt.

Juanita Broaddrick, a volunteer in Clinton's gubernatorial campaign, will later claim she was attacked by Clinton and her lip almost bitten off.

According to Roger Morris in *Partners in Power*, a young woman lawyer in Little Rock will later claim that she was accosted by Clinton this year and that when she recoiled he forced himself on her, biting and bruising her. "Deeply affected by the assault, the woman decided to keep it all quiet for the sake of her own hard-won career and that of her husband. When the husband later saw Clinton at the 1980 Democratic Convention, he delivered a warning. 'If you ever approach her,' he told the governor, 'I'll kill you.' Not even seeing fit to deny the incident, Bill Clinton sheepishly apologized and duly promised never to bother her again."

## 1979

Sharlene Wilson will testify in a 1990 federal drug probe that she began selling cocaine to Roger Clinton as early as this year. She will also tell reporters that she sold two grams of cocaine to Clinton's brother at the Little Rock nightclub Le Bistro, then witnessed Bill Clinton consume the drug. "I watched Bill Clinton lean up against a brick wall," Wilson reveals to the London Telegraph's Ambrose Evans-Pritchard in 1995. "He was so messed up that night, he slid down the wall into a garbage can and just sat there like a complete idiot." Wilson also describes gatherings at Little Rock's Coachman's Inn between 1979 and 1981, where she saw Clinton using cocaine "quite avidly" with friends. Drug prosecutor Jean Duffey will say that she has no doubt that Wilson was telling the truth.

The Clintons and McDougals form Whitewater Development Company.

## 1980s

Governor Clinton appoints Web Hubbell to head a new state ethics commission. First task: to weaken ethics legislation currently under consideration by exempting the governor from some of its most rigorous provisions.

Arkansas becomes a major center of gun-running, drugs and money laundering. The IRS warns other law enforcement agencies of the state's "enticing climate." According to Clinton biographer Roger Morris, operatives go into banks with duffel bags full of cash, which bank officers then distribute to tellers in sums under \$10,000 so they don't have to report the transaction.

Sharlene Wilson, according to investigative reporter Ambrose Evans-Pritchard, flies cocaine from to a pickup point in Texas. Other drugs, she and others say, are stuffed into chickens for shipping around the country. Wilson also serves as "the lady with the snow" at "toga parties" attended, she reports, by Bill Clinton.

According to Wilson, "I lived in Little Rock, Arkansas, O.K.? And I worked at a club called Le Bistro's, and I met Roger Clinton there, Governor Bill Clinton, a couple of his state troopers that went with him wherever he went. Roger Clinton had come up to me and he had asked me could I give him some coke, you know, and asked for my

one-hitter, which a one-hitter is a very small silver device, O.K., that you stick up into your nose and you just squeeze it and a snort of cocaine will go up in there. And I watched Roger hand what I had given him to Governor Clinton, and he just kind of turned around and walked off."

Investor's Business Daily would later write, "Sally Perdue, a former Miss Arkansas and Little Rock talk show host who said she had an affair with then-Gov. Clinton in 1983, told the London Sunday Telegraph that he once came over to her house with a bag full of cocaine. "He had all the equipment laid out, like a real pro."

In the 1990s, Genifer Flowers tells Sean Hannity's WABC talk radio show: "He smoked marijuana in my presence and offered me the opportunity to snort cocaine if I wanted to. I wasn't into that. Bill clearly let me know that he did cocaine. And I know people that knew he did cocaine. He did tell me that when he would use a substantial amount of cocaine that his head would itch so badly that he would become self conscious at parties where he was doing this. Because all he wanted to do while people were talking to him is stand around and scratch his head. ...."

Two Arkansas state troopers will swear under oath that they have seen Clinton "under the influence" of drugs when he was governor. Sharlene Wilson is a bartender who ended up serving time on drug crimes and cooperating with drug investigators. She told a federal grand jury she saw Clinton and his younger brother "snort" cocaine together in 1979. Jack McCoy, a Democratic state representative and Clinton supporter, told the Sunday Telegraph that he could "remember going into the governor's conference room once and it reeked of marijuana." Historian Roger Morris, in his book "Partners in Power," quotes several law enforcement officials who say they had seen and knew of Clinton's drug use. One-time apartment manager Jane Parks claims that in 1984 she could listen through the wall as Bill and Roger Clinton, in a room adjoining hers, discussed the quality of the drugs they were taking.

Hillary Clinton makes a \$44,000 profit on a \$2,000 investment in a cellular phone franchise deal that involves taking advantage of the FCC's preference for locals, minorities and women. The franchise is almost immediately flipped to the cellular giant, McCaw.

A drug pilot brings a Cessna 210 full of cocaine into eastern Arkansas where he is met by his pick-up: a state trooper in a marked police car. "Arkansas," the pilot will recall years later, "was a very good place to load and unload."

## VINCE FOSTER

According to his wife, security operative Jerry Parks delivers large sums of money from Mena airport to Vince Foster at a K-Mart parking lot. Mrs. Parks discovers this when she opens her car trunk one day and finds so much cash that she has to sit on the trunk to close it again. She asks her husband whether he is dealing drugs, and he allegedly explains that Foster paid him \$1,000 for each trip he took to Mena. Parks said he didn't "know what they were doing, and he didn't care to know. He told me to forget what I'd seen." . . . Later Evans-Pritchard will write, "Foster was using him as a kind of operative to collect sensitive information on things and do sensitive jobs. Some of this appears to have been done on behalf of Hillary Clinton. . . Foster told him that Hillary wanted it done. Now, my understanding . . . is that she wanted to know how vulnerable he would be in a presidential race on the question of -- how shall I put it? -- his appetites."

Hillary Clinton quietly lobbies on behalf of the Contras and against groups and individuals opposing them.

Dan Lasater's parties become known around Little Rock for the availability of cocaine and women.

Judy Gibbs, a model and call girl who appeared in Penthouse magazine, runs a powerful house of prostitution in Fordyce with her sister Sharon. They also blackmail some of their more powerful clients. Both her family and one of Clinton's bodyguards will later link Judy Gibbs to the governor. She decides to cooperate with police in an

investigation of Arkansas cocaine trafficking, but is burned to death inside her home from a fire of undetermined origin. In 1999, Newsmax will report, "[Former Clinton bodyguard Barry] Spivey had become something of a mystery man, who insisted on meeting [Paula Jones investigator] Rick Lambert on a deserted road nestled deep in the Arkansas backwoods. The Jones investigator admitted he was none too comfortable with the situation. Spivey shared a story about a conversation he had with Clinton while on a flight over southeast Arkansas. The trooper noticed a blackened patch amidst the greenery below that, surprisingly, Clinton recognized. That patch was all that was left of an estate that had burned to the ground in the mid-80s. According to the trooper, Clinton began reminiscing about rumors of his involvement with the woman of the house, a onetime "Penthouse pet." Her husband, Spivey said, was involved in a pornography ring. Clinton explained to Spivey, 'You know that mansion just burned down right on top of them.' Years later, Spivey remains struck by one thing: the eerie expression that crossed Clinton's face as he spoke those words. ...."

The sudden and/or violent deaths of persons connected in some way to the Clinton machine have been at best shoddily investigated by public officials. It is impossible in many cases to determine which are the result of foul play and which are coincidental. Barbara Wise is a case in point. This woman, whose partially nude body was found in the Commerce Department, has been described by some as being a highly disturbed person whose death may be totally unrelated to the Clinton scandals.

In cases of foul play, readers are warned not to leap to conclusions as to motivation or potential perpetrators. For example, if Vincent Foster was killed rather than committing suicide, it may not have been because of the shady dealings at the White House but because public investigations of these shady dealings threatened to expose peripheral criminality such as past money laundering, drug trafficking, or illegal intelligence activities.

## 1980

Bill Clinton loses re-election as governor. He will win two years later. Larry Nichols will tell the George Putman Show in 1998 that he had met with Clinton and Jackson Stephen's brother Witt and that Witt had told Clinton that the Stephens were ready to back him for another run at the governorship but that he had to "dry out on the white stuff."

There are reports that following his loss, Clinton ended up in the hospital for a drug overdose. Journalist R. Emmett Tyrrell later asked emergency room workers at the University of Arkansas Medical Center if they could confirm the incident. He didn't get a flat "no" from the hospital staff. One nurse said, "I can't talk about that." Another said she feared for her life if she spoke of the matter. Newsmax will report: "Dr. Sam Houston, a respected Little Rock physician and once a doctor for Hillary's cantankerous father, Hugh Rodham, says it is well known in Little Rock medical circles that Clinton was brought to a Little Rock hospital for emergency treatment for an apparent cocaine overdose. According to Houston, who told us he spoke to someone intimately familiar with the details of what happened that night, Clinton arrived at the hospital with the aid of a state trooper. Hillary Clinton had been notified by phone and had instructed the hospital staff that Clinton's personal physician would be arriving soon. When Mrs. Clinton arrived, she told both of the resident physicians on duty that night that they would never practice medicine in

the United States if word leaked out about Clinton's drug problem. Reportedly, she pinned one of the doctors up against the wall, both hands pressed against his shoulders, as she gave her dire warning."

According to Jim McDougal's later account, he and Henry Hamilton, "developed a system to pass money to Clinton," then governor of Arkansas. "I considered it just another way of helping to take care of Bill. A contractor agreed to pad my monthly construction bill by \$2,000. The contractor put the figure on his invoice as a cost for gravel or culvert work. After I paid the full amount ... the contractor reimbursed me the \$2,000. I turned the money over to Henry to give to Clinton. Once, after I handed Henry his latest consignment of 20 hundred-dollar bills to relay to the governor's office, he turned the bills over and over in one hand, like a magician. Henry grinned. 'You know,' he said, 'Caesar had his Brutus, Charles the First had Cromwell. Clinton could profit from these examples if he crosses us.'"

## 1981

Hillary Clinton writes Jim McDougal: "If Reagonomics works at all, Whitewater could become the Western Hemisphere's Mecca."

Major drug trafficker Barry Seal, under pressure from the Louisiana cops, relocates his operations to Mena, Arkansas. Seal is importing as much as 1,000 pounds of cocaine a month from Colombia according to Arkansas law enforcement officials. He will claim to have made more than \$50 million out of his operations. As an informant, Seal testified that in 1980-81, before moving his operation to Arkansas, he made approximately 60 trips to Central America and brought back 18,000 kilograms. In 1996 the Progressive Review will report: "The London Telegraph has obtained some of the first depositions in ex-CIA contract flyer Terry Reed's suit against Clinton's ex-security chief - and now a high-paid FEMA director - Buddy Young. According to the Telegraph's Ambrose Evans-Pritchard, "Larry Patterson, an Arkansas state trooper, testified under oath that there were 'large quantities of drugs being flown into the Mena airport, large quantities of money, large quantities of guns.' The subject was discussed repeatedly in Clinton's presence by state troopers working on his security detail, he alleged. Patterson said the governor 'had very little comment to make; he was just listening to what was being said.'"

Roger Morris & Sally Denton, Penthouse Magazine - Seal's legacy includes more than 2,000 newly discovered documents that now verify and quantify much of what previously had been only suspicion, conjecture, and legend. The documents confirm that from 1981 to his brutal death in 1986, Barry Seal carried on one of the most lucrative, extensive, and brazen operations in the history of the international drug trade, and that he did it with the evident complicity, if not collusion, of elements of the United States government, apparently with the acquiescence of Ronald Reagan's administration, impunity from any subsequent exposure by George Bush's administration, and under the usually acute political nose of then Arkansas governor Bill Clinton. . .

Mena state police investigator Russell Welch will later describe the airport, pointing to one hangar he says is owned by a man who "doesn't exist in history back past a safe house in Baltimore in 1972." Another is owned by someone who "smuggled heroin through Laos back in the seventies." Still another is "owned by a guy who just went bankrupt. So what's he do? Flies to Europe for more money." Welch points to a half dozen Fokker aircraft parked on an apron, noting that "the DEA's been tracking those planes back and forth to Columbia for a while now."

## 1982

A DEA report uncovered by Ambrose Evans-Pritchard will cite an informant claiming that a key Arkansas figure and backer of Clinton "smuggles cocaine from Colombia, South America, inside race horses to Hot Springs."



The London Telegraph's Ambrose Evans-Prichard writes, "Basil Abbott, a convicted drug pilot, says that he flew a Cessna 210 full of cocaine into Marianna, in eastern Arkansas, in the spring of 1982. The aircraft was welcomed by an Arkansas State Trooper in a marked police car. 'Arkansas was a very good place to load and unload' he said."

IRS agent William Duncan and an Arkansas State Police investigator take their evidence concerning drug trafficking in Mena to US Attorney Asa Hutchinson. They ask for 20 witnesses to be subpoenaed before the grand jury. Hutchinson chooses only three. According to reporter Mara Leveritt, "The three appeared before the grand jury, but afterwards, two of them also expressed surprise at how their questioning was handled. One, a secretary at Rich Mountain Aviation, had given Duncan sworn statements about money laundering at the company, transcripts of which Duncan had provided to Hutchinson. But when the woman left the jury room, she complained that Hutchinson had asked her nothing about the crime or the sworn statements she'd given to Duncan. As Duncan later testified, 'She basically said that she was allowed to give her name, address, position, and not much else.' The other angry witness was a banker who had, in Duncan's words, 'provided a significant amount of evidence relating to the money-laundering operation.' According to Duncan, he, too, emerged from the jury room complaining 'that he was not allowed to provide the evidence that he wanted to provide to the grand jury.'"

Roger Morris & Sally Denton, Penthouse Magazine - According to I.R.S. criminal investigator Duncan, secretaries at the Mena Airport told him that when Seal flew into Mena, 'there would be stacks of cash to be taken to the bank and laundered.' One secretary told him that she was ordered to obtain numerous cashier's checks, each in an amount just under \$10,000, at various banks in Mena and surrounding communities, to avoid filing the federal Currency Transaction Reports required for all bank transactions that exceed that limit. Bank tellers testified before a federal grand jury that in November 1982, a Mena airport employee carried a suitcase containing more than \$70,000 into a bank. "The bank officer went down the teller lines handing out the stacks of \$1,000 bills and got the cashier's checks." Law-enforcement sources confirmed that hundreds of thousands of dollars were laundered from 1981 to 1983 just in a few small banks near Mena, and that millions more from Seal's operation were laundered elsewhere in Arkansas and the nation.

Bill Clinton wins back the governorship.

Financial General changes its name to First American and Clark Clifford is appointed chairman. BCCI fronts begin acquiring controlling interest in banks and other American financial institutions. In Arkansas, Jim McDougal purchases Madison Guaranty Savings & Loan. I

## 1983

Mochtar Riady forms Lippo Finance & Investment in Little Rock. A non-citizen, Riady hires Carter's former SBA director, Vernon Weaver, to chair the firm. The launch is accomplished with the aid of a \$2 million loan guaranteed by the SBA. Weaver uses Governor Clinton as a character reference to help get the loan guarantee. First loan goes to Little Rock Chinese restaurant owner Charlie Trie. In 1999, reported the Washington Post, Trie, who had become a controversial fund-raiser for President Clinton, "entered into a plea agreement with the Justice Department yesterday, winning leniency in exchange for telling all in an investigation of improper campaign contributions originating in China."

State regulators warn Jim McDougal's Madison Guarantee S&L to stop making imprudent loans. Gov. Clinton is also warned of the problem but takes no action.

According to a later account in the Tampa Tribune, planes flying drugs into Mena in coolers marked "medical supplies." are met by several people close to then-Governor Bill Clinton.

Although he is under investigation for drug activities, Dan Lasater's firm is given a piece of 14 state bond issues.

Judge David Hale's Capital Management Services starts making loans to state figures. "David Hale is a former Arkansas municipal judge and former Arkansas banker. He worked with Jim McDougal on \$3 million in loans from a lending company he ran. He pled guilty and went to jail for conspiring to defraud the Small Business Administration in looting the funds from a dummy business he established. As part of his guilty plea in looting money from an insurance company, he provided the allegations for the Whitewater scandal, and testimony for its investigators. ... Hale testified in U.S. District Court that Gov. Bill Clinton pressured him to make a fraudulent \$300,000 loan and that he not be named in the loan." - *Wiki*

## 1984

Clinton backers Jack Stevens and Mochtar Riady buy a banking firm and change its name to Worthern Bank with Riady's 28-year-old son James as president. Other Worthen co-owners will eventually include BCCI investor Abdullah Taha Bakhish.

The Federal Home Loan Bank Board issues a negative report on Madison Guaranty, questioning both its lending practices and its financial stability. The Arkansas Securities Department begins to take steps to close it down. "Starting in 1982 and operated by Jim McDougal-Susan McDougal, Madison Guaranty Savings and Loan failed in the late 1980s. On April 14, 1997, Jim McDougal was convicted of 18 felony counts of fraud conspiracy charges. The counts had to do with bad loans made by Madison S&L. This S&L was partnered with Whitewater Development Corporation, the subject of Whitewater probe and owned, in part, by Bill and Hillary Clinton." *Wikipedia*

Madison Guaranty and McDougal hired Rose Law Firm where the Mrs. Clinton worked as a defense attorney. Mrs. Clinton's Rose Law Firm billing records on Madison Guaranty and McDougal's Castle Grande project that Hillary called IDC - Industrial Development Corporation. How much work she actually did on Madison and Castle Grande was the subject of the missing billing records. McDougal also held a fundraiser at Madison Guaranty that paid off Clinton's campaign debt of \$50,000. Madison cashier's checks accounted for \$12,000 of the funds raised.

The Washington Times will later quote an unnamed Clinton business associate who claims the governor used to "jog over to McDougal's office about once a month to pick up the [retainer] check for his wife." Jim McDougal will claim later that Clinton on one of his jogs had asked that Madison steer business to Hillary Clinton.

Foreshadowing future Wall Street interest in Clinton, Goldman Sachs, Payne Webber, Salomon Brothers and Merrill Lynch all show up as financial backers of the governor. Also on the list: future king-maker Pam Harriman. But Bill Clinton's funders include not only some of the biggest corporate names ever to show an interest in the tiny state of Arkansas but some of the most questionable. A former US Attorney will later tell Roger Morris, "That was the election when the mob really came into Arkansas politics. . . It wasn't just Bill Clinton and it went beyond our old Dixie Mafia. . . This was eastern and west coast crime money that noticed the possibilities just like the legitimate corporations did."

Dan Lasater buys a ski resort in New Mexico for \$20 million and uses Clinton's name (with permission) to promote it. Later, a US Customs investigative report will note that the resort is being used for drug operations and money laundering. Lasater also flies to Belize with his aide Patsy Thomasson to buy a 24,000 acre ranch. Among those present at the negotiations is the US Ambassador. The deal falls through because of the opposition of the Belize government.

A private contractor for Arkansas' prison system stops selling prisoners' blood to a Canadian broker and elsewhere overseas after admitting the blood might be contaminated with the AIDS virus or hepatitis. Sales of prisoners' blood

in US are already forbidden. Contaminated blood will later become a big scandal in Canada.

Tens of thousands of dollars in mysterious checks begin moving through Whitewater's account at Madison Guaranty. Investigators will later suspect that McDougal was operating a check-kiting scheme to drain money from the S&L

Hot Springs police record Roger Clinton during a cocaine transaction. Roger says, "Got to get some for my brother. He's got a nose like a vacuum cleaner." Roger is arrested while working at menial jobs for Arkansas "bond daddy" Dan Lasater.

Barry Seal estimates that he has earned between \$60 and \$100 million smuggling cocaine into the US, but with the feds closing in on him, Barry Seal flies from Mena to Washington in his private Lear Jet to meet with two members of Vice President George Bush's drug task force. Following the meeting, Seal rolls over for the DEA, becoming an informant. He collects information on leaders of the Medellin cartel while still dealing in drugs himself. The deal will be kept secret from investigators working in Louisiana and Arkansas. According to reporter Mara Leveritt, "By Seal's own account, his gross income in the year and a half after he became an informant - while he was based at Mena and while Asa Hutchinson was the federal prosecutor in Fort Smith, 82 miles away - was three-quarters of a million dollars. Seal reported that \$575,000 of that income had been derived from a single cocaine shipment, which the DEA had allowed him to keep. Pressed further, he testified that, since going to work for the DEA, he had imported 1,500 pounds of cocaine into the U.S. Supposed informant Seal will fly repeatedly to Colombia, Guatemala, and Panama, where he meets with Jorge Ochoa, Fabio Ochoa, Pablo Escobar, and Carlos Lehder - leaders of the cartel that at the time controlled an estimated 80 percent of the cocaine entering the United States."

Ronald Reagan wants to send the National Guard to Honduras to help in the war against the Sandanistas. Massachusetts Governor Michael Dukakis goes to the Supreme Court in a futile effort to stop it but Clinton is happy to oblige, even sending his own security chief, Buddy Young, along to keep an eye on things. Winding up its tour, the Arkansas Guard declares large quantities of its weapons "excess" and leaves them behind for the Contras.

Clinton bodyguard, state trooper LD Brown, applies for a CIA opening. Clinton gives him help on his application essay including making it more Reaganesque on the topic of the Nicaragua. According to Brown, he meets a CIA recruiter in Dallas whom he later identifies as former member of Vice President Bush's staff. On the recruiter's instruction, he meets with notorious drug dealer Barry Seal in a Little Rock restaurant. Joins Seal in flight to Honduras with a purported shipment of M16s and a return load of duffel bags. Brown gets \$2,500 in small bills for the flight. Brown, concerned about the mission, consults with Clinton who says, "Oh, you can handle it, don't sweat it." On second flight, Brown finds cocaine in a duffel bag and again he seeks Clinton's counsel. Clinton says to the conservative Brown, "Your buddy, Bush, knows about it" and, of the cocaine, "that's Lasater's deal."

Clinton wins re-election with 64% of the vote.

## 1985

Roger Clinton pleads guilty to cocaine distribution but cops a plea on more serious charges with a promise to cooperate. He will serve a short prison term.

Mrs. Clinton is put on a \$2,000 a month retainer by Madison Guaranty. Jim McDougal will later write in his book that the payments were in lieu of his earlier system of passing money to Bill Clinton. Ms. Clinton will later claim not to have received any retainer nor to have been deeply involved with Madison. Subsequent records show, however, that she represented Madison before the state securities department. After the revelation, she says, "For goodness sakes, you can't be a lawyer if you don't represent banks."

Bill Clinton establishes the Arkansas Development Finance Authority that will be used, in the words of one well-connected Arkansan as "his own political piggy bank." Though millions of dollars are funneled to Clinton allies, records of repayments will be hazy or non-existent. AFDA brags to prospective out-of-state corporations of Arkansas' anti-union climate. Dan Lasater is a major underwriter and gets a \$30 million bond deal for state police radios even as the governor's stepbrother Roger is making a bargain with the US attorney to testify against Lasater in a drug case.

The New Jersey securities firm Bevill, Bresler & Schulman files for bankruptcy amid fraud charges and an estimated \$240 million in losses; one of the biggest apparent losers is Stephens-dominated Worthen Bank, which holds with Bevill \$52 million of Arkansas state funds in uncollateralized repurchase agreements.

Arkansas state pension funds -- deposited in Worthen by Governor Bill Clinton -- suddenly lose 15% of their value because of the failure of high risk, short-term investments and the brokerage firm that bought them. The \$52 million loss is covered by a Worthen check written by Jack Stephens in the middle of the night, an insurance policy and the subsequent purchase over the next few months of 40% of the bank by Mochtar Riady. Clinton and Worthen escape a major scandal.

Lippo executive and Chinese native John Huang becomes active in Lippo's operations in Arkansas. China Resources pays for a Lippo-organized trip to Asia by Governor Clinton, according to a later FBI interview with John Huang.

Mochtar and James Riady engineer the takeover of the First National Bank of Mena in a town of 5,000 with few major assets beyond a Contra supply base, drug running and money-laundering operations.

Terry Reed is asked to take part in Operation Donation, under which planes and boats needed by the Contras "disappear," allowing owners to claim insurance. Reed has been a Contra operative and CIA asset working with Felix Rodriguez, the Contra link to the CIA and then-Vice President Bush's office. Reed later claims he refused, but that his plane was removed while he was away.

Park on Meter, a parking meter manufacturer in Russellville, Arkansas, receives the first industrial development loan from the Arkansas Development Finance Authority in 1985. Some suspect that POM is doing a lot more than making parking meters -- specifically that it has secret federal contracts to make components of chemical and biological weapons and devices to carry them on C-130s for the Contras. The company later denies the Contra connection although it will admit having secret military contracts. Web Hubbell is the company's lawyer. Right next to POM, on land previously owned by it, is an Army reserve chemical warfare company.

A series of checks to Clinton and his campaign are endorsed and deposited in Madison S&L. One of the checks -- a cashiers check in the amount of \$3,000 -- has the name of a 24-year-old college student on it. When informed of this in 1993, the then-student, Ken Peacock, will deny having made any such donation.

Whitewater fails to file corporate tax returns for this year.

Asa Hutchinson leaves the US Attorney's office to make an unsuccessful bid for US Senate. According to police sources, Hutchinson had been aware of what was happening at Mena and the investigation into it, but did nothing. Hutchinson is replaced by Mike Fitzhugh who is reluctant to let investigators Russell Welch of the state police and William Duncan of the IRS present evidence of money-laundering to a grand jury.

Jim McDougal sets up a late controversial land deal called Castle Grande.

According to Ambrose Evans-Pritchard, on June 4, 1985, the diary of Arkansas State police lieutenant Russell Welch says that an agent from the DEA "informed me in strictest confidence that it was believed, within his

department, that [major drug transporter] Barry Seal is flying weapons to Central and South America. In return he is allowed to smuggle what he wanted back into the United States".

## 1986

Journalist Evans-Pritchard will describe the Arkansas of this period as a "major point for the transshipment of drugs" and "perilously close to becoming a 'narco-republic' -- a sort of mini-Columbia within the borders of the United States." There is "an epidemic of cocaine, contaminating the political establishment from top to bottom," with parties "at which cocaine would be served like hors d'oeuvres and sex was rampant." Clinton attends some of these events.

According to former CIA officials David MacMichael and Ray McGovern, Barry Seal, a former TWA pilot who had trained Nicaraguan Contra pilots in the early eighties, and who is facing a long sentence after a federal drug conviction in Florida, makes his way to the White House's National Security Council to make the following proposition to officials there. He would fly his own plane to Colombia and take delivery of cocaine. He would then make an emergency landing in Nicaragua and make it appear that Sandinista officials were aiding him in drug trafficking. Seal made it clear that he would expect help with his legal problems. The Reagan White House jumps at the offer. Seal's plane is flown to Wright-Patterson Air Force Base, where it was fitted with secret cameras to enable Seal to photograph Nicaraguan officials in the act of assisting him with the boxes of cocaine.

On January 17, the U. S. Attorney for the Western District drops a money laundering and narcotics-conspiracy charges against associates of drug smuggler Barry Seal over the protests of investigators Russell Welch of the state police and Bill Duncan of the Internal Revenue.

In a letter to U.S. attorney general Edwin Meese the Louisiana attorney general wrote, Barry Seal "smuggled between \$3 billion and \$5 billion of drugs into the U.S."

The operation goes as planned. The photos are delivered to the White House, and a triumphant Ronald Reagan goes on national TV to show that the Sandinistas are not only Communists but also criminals intent on addicting America's youth.

A Federal Home Loan Bank Board audit describes Madison as financially reckless, rife with conflicts and on the brink of collapse. It says that the S&L's records are so poor that examiners often could not discover the "real nature" of transactions. In August federal regulators will remove McDougal from the board of Madison.

Capital Management Services Inc., owned by David Hale, makes an SBA-approved loan of \$300,000 to Susan McDougal, sole owner of an advertising firm called Master Marketing. The loan will never be repaid. Hale will later claim that Clinton and Jim McDougall pressured him into making the loan.

Dan Lasater, Arkansas bond don who is close to Clinton, pleads guilty to cocaine distribution charges. The case also involves Clinton step brother Roger, who testifies against Lasater in a plea agreement. Both Lasater and Roger Clinton will serve brief prison terms. While Lasater is in prison his affairs will be run by Patsy Thomasson, who later becomes a White House aide.

Seal is scheduled to testify at the trial of Jorge Ochoa Vasques. But on February 19, shortly before the trial is to begin, Seal is murdered in Baton Rouge gangland style by three Colombian hitmen armed with machine guns who attack while he seated behind the wheel of his white Cadillac in Baton Rouge, La. The Colombians, connected with the Medellin drug cartel, are tried and convicted. Upon hearing of Seal's murder, one DEA agent says, "There was a contract out on him, and everyone knew it. He was to have been a crucial witness in the biggest case in DEA history."

According to the London Telegraph's Ambrose Evans-Prichard, "Seal was probably the biggest importer of cocaine in American history. Between 1980 and his assassination in 1986, his team of pilots smuggled in 36 metric tons of cocaine, 104 tons of marijuana and three tons of heroin, according to a close associate of Seal. The sums of money involved were staggering. At his death, Seal left a number of operational bank accounts. One of them, at the Cayman Islands branch of the Fuji Bank, currently has an interest-earning balance of \$1,645,433,000. "

Roger Morris & Sally Denton, Penthouse Magazine Seal himself spent considerable sums to land, base, maintain, and specially equip or refit his aircraft for smuggling. According to personal and business records, he had extensive associations at Mena and in Little Rock, and was in nearly constant telephone contact with Mena when he was not there himself. Phone records indicate Seal made repeated calls to Mena the day before his murder. This was long after Seal, according to his own testimony, was working as an \$800,000-a-year informant for the federal government.

Eight months after the murder, Seal's cargo plane is shot down over Nicaragua. It is carrying ammunition and other supplies for the Contras from Mena. One crew member, Eugene Hasenfus, survives.

Roger Morris & Sally Denton, Penthouse Magazine - Tax records show that, having assessed Seal posthumously for some \$86 million in back taxes on his earnings from Mena and elsewhere between 1981 and 1983, even the I.R.S. forgave the taxes on hundreds of millions in known drug and gun profits over the ensuing two-year period when Seal was officially admitted to be employed by the government.

Roger Morris & Sally Denton, Penthouse Magazine - Arkansas state trooper Larry Patterson [would later testify] under oath, according to \*The London Sunday Telegraph\*, that he and other officers "discussed repeatedly in Clinton's presence" the "large quantities of drugs being flown into the Mena airport, large quantities of money, large quantities of guns," indicating that Clinton may have known much more about Seal's activities than he has admitted.

Whitewater fails to file corporate tax returns for this year.

James Riady resigns as president of Worthen Bank.

Clinton is reelected governor.

Roger Clinton is paroled.

## 1987

According to the McDougals, the Whitewater files are transferred to the Clintons. In the 1992 campaign, the Clintons will say they can not find the records.

Clinton gives Arkansas Traveler awards to Contra operatives Adolpho and Mario Calero and John Singlaub.

According to Ambrose Evans Prichard of the London Telegraph, on August 1987 Arkansas police lieutenant Russell Welch receives a secret teletype from the FBI office in Chicago advising him that "a CIA or DEA operation is taking place at the Mena airport". The Sunday Telegraph has a copy of the telex. In late 1987, Welch writes in his diary, "I feel like I live in Russia, waiting for the secret police to pounce down. A government has gotten out of control. Men find themselves in positions of power and suddenly crimes become legal. National Security?!"

Two boys, Kevin Ives and Don Henry, are killed in Saline County and left on a railroad track to be run over by a train. The medical examiner will initially rule the deaths accidental, saying that the boys were unconscious and in a deep sleep due to marijuana. The finding will be punctured by dogged investigators whose efforts are repeatedly

blocked by law enforcement officials. Ultimately, the bodies will be exhumed and another autopsy will be performed, which finds that Henry had been stabbed in the back and Ives beaten with a rifle butt. Although no one will ever be charged, the trail will lead into the penumbra of the Dixie Mafia and the Arkansas political machine. Some believe the boys died because they accidentally intercepted a drug drop, but other information obtained by the Progressive Review suggests the drop may have dispensed not drugs but cash, gold and platinum -- part of a series of sorties through which those working with US intelligence were being reimbursed. According to one version, the boys were blamed in order to cover up the theft of the drop by persons within the Dixie Mafia and Arkansas political machine. Ives mother will later charge that high state and federal officials participated in a coverup: "I firmly believe my son and Don Henry were killed because they witnessed a drug drop by an airplane connected to the Mena drug smuggling routes."

Prosecutor Jean Duffey will later tell talk show host in answer to whether law enforcement people were involved in the train death murders: "I believe the law enforcement agents were connected to some very high political people because they have never been brought to justice and I don't think they ever will be. I think they are protected to avoid exposing the connection...There have been several murders of potential witnesses. Anyone who could have solved this murder many years ago has been systematically eliminated."

Nine persons reportedly having information on the Ives-Henry murders will end up dead themselves. Keith McKaskle will express fear for his life because of the "railroad track thing" and tell his parents good-bye before his murder. An inmate will report being offered \$4,000 to kill McKaskle. A suspect in the Ives-Henry murders will die in what initially is thought to have been a robbery but turns out to have been a set-up. Boonie Bearden vanishes without a trace. It is rumored he knows exactly what had happened at the tracks. James Milam is found decapitated; nonetheless, the state medical examiner, Fahmy Malak - who also called the Ives-Henry deaths accidental -- will declare the death to be of natural causes. Jeff Rhodes will be shot, burned, and have his hands and feet partially sawed off.

Terry Reed's plane is returned but, according to his account, he is asked not to report it because it might have to be "borrowed" again. Reed later says that he had become aware that the Contra operation also involved drug running and had gotten cold feet. He also believed that large sums of drug money were being laundered by leading Arkansas financiers. He went to Felix Rodriguez and told him he was quitting. Reed was subsequently charged with mail fraud for having allegedly claimed insurance on a plane that was in fact hidden in a hanger in Little Rock. The head of Clinton's Swiss Guard, Capt. Buddy Young, will claim to have been walking around the North Little Rock Airport when "by an act of God" a gust of wind blew open the hangar door and revealed the Piper Turbo Arrow.

Whitewater fails to file corporate tax returns for this year.

Harken Energy, with George W Bush on the board, gets rescued by aid from the BCCI-connected Union Bank of Switzerland in a deal brokered by Jackson Stephens, later to show up as a key supporter of Bill Clinton. The deal was also pushed along by another Clinton friend, David Edwards. Edwards will bring BCCI-linked investors into Harken deals including Abdullah Bakhsh, purchases \$10 million in shares of Stephens dominated Worthen Bank.

## 1988

Conservative Democrats begin a series of nearly 100 meetings held at the home of Pam Harriman to plot strategy for the takeover of the Democratic Party. Donors cough up \$1,000 to attend and Harriman eventually raises \$12 million for her kind of Democrat. The right-wing Dems will eventually settle on Bill Clinton as their presidential choice.

Charles Black, a prosecutor for Polk County, which includes Mena, meets with Governor Clinton and asks for assistance in a probe of illegal activities. "His response," Mr. Black will tell CBS News later, "was that he would get a man on it and get back to me. I never heard back."

Following pressure from then-Arkansas Rep. Bill Alexander, the General Accounting Office opens a probe in April 1988; within four months, the inquiry is shut down by the National Security Council, according to a later report by Micah Morrison of the Wall Street Journal. Several congressional subcommittee inquiries sputter and stop.

The Senate Committee on Foreign Relations issues a report that describes the seriousness of the Barry Seal disaster. That report says, "Law enforcement officials were furious that their undercover operation was revealed and agents' lives jeopardized because one individual in the U.S. government - Lt. Col. Oliver North- decided to play politics with the issue . . . Associates of Seal, who operated aircraft service businesses at the Mena, Arkansas airport, were also targets of grand jury probes into narcotics trafficking. Despite the availability of evidence sufficient for an indictment on money laundering charges and over the strong protests of state and federal law enforcement officials, the cases were dropped."

According to journalist Philip Weiss, "In 1988, Bill Clinton chose not to run for the presidency, in part out of fear of personal disclosure about his sex life. The story goes--and now we are into rumor/recollection, but it's persuasive--that Hillary Clinton was angry that he had bowed out and wanted a divorce. She compiled a divorce file with her friend, lawyer Vince Foster, involving a number of women in Arkansas. Ultimately she dropped the plan.

## 1989

Madison S&L is closed by federal regulators at an eventual cost to taxpayers of \$47 million. Jim McDougal is indicted for bank fraud

Manhattan District Attorney Robert Morgenthau begins a wide-ranging probe of BCCI. .

FDIC hires Webster Hubbell of the Rose firm to press its case concerning Madison. Rose law firm, now representing FDIC, sues an accounting firm for \$60 million, blaming its audits for causing millions of dollars in losses to the S&L. Although the job earns Rose \$400,000 in fees and expenses the accounting firm will eventually settle by paying the government just \$1 million.

What will later be known as the Vast Right Wing Conspiracy begins on the left as a group of progressive students at the University of Arkansas form the Arkansas Committee to look into Mena, drugs, money laundering, and Arkansas politics.

Dan Short, a bank president, is abducted from his home in Benton Co., Arkansas and allegedly forced to open the State Bank in Noel, MO were \$71,000 is allegedly taken. Three days before his abduction, he had told friends that he had been laundering drug money and was in trouble.

## 1990

James Riady takes over operations of a new branch of the Lippo Bank, working with Hong Kong Lippo executive, John Huang. China Resources Company Ltd begins buying stock in the branch, Hong Kong Chinese Bank, at 15% below market value. Intelligence sources later report that the firm is really a front for Chinese military intelligence.

Warren Stephens raises \$50,000 overnight so Clinton can buy TV time in his struggling re-election bid.



Sharlene Wilson tells a US grand jury investigating drugs in Arkansas that she provided cocaine to Clinton during his first term and that once the governor was so high he fell into a garbage can. The federal drug investigation is shut down within days of her testimony. Wilson flees, terrified of the state prosecuting attorney -- her former lover, and Clinton ally, Dan Harmon. She will be eventually arrested by Harmon himself and sent up for 31 years on a minor drug charge.

The case against Terry Reed goes to court. Terry Reed had been asked to take part in Operation Donation, under which planes and boats needed by the Contras "disappear," allowing owners to claim insurance. Reed has been a Contra operative and CIA asset working with Felix Rodriguez, the Contra link to the CIA and then-Vice President Bush's office. Reed later claimed he refused, but that his plane was removed while he was away. Terry Reed's plane was returned but, according to his account, he is asked not to report it because it might have to be "borrowed" again. Reed later says that he had become aware that the Contra operation also involved drug running and had gotten cold feet. He also believed that large sums of drug money were being laundered by leading Arkansas financiers. He went to Felix Rodriguez and told him he was quitting. Reed was subsequently charged with mail fraud for having allegedly claimed insurance on a plane that was in fact hidden in a hanger in Little Rock. The head of Clinton's Swiss Guard, Capt. Buddy Young, will claim to have been walking around the North Little Rock Airport when "by an act of God" a gust of wind blew open the hangar door and revealed the Piper Turbo Arrow.

The case against Terry Reed is thrown out of court by the federal judge who said, "It's my opinion no jury could find by reasonable doubt that the defendant was guilty. There are too many holes in the chain of proof for the government to prove mail fraud." Clinton's security chief, Captain Buddy Young, is described by the judge as having a "reckless disregard for the truth." Young, who will play a major role in keeping state troopers quiet about Clinton, will end up in a \$92,000-a-year job with FEMA, a federal agency established to handle major disasters.

Reed will file a civil action against Buddy Young. Ambrose Evans-Pritchard will report that one witness, Arkansas state trooper Larry Patterson, testified that there were "large quantities of drugs being flown into Mena airport, large quantities of money, large quantities of guns." Patterson says the matter was repeatedly discussed in front of Clinton by his bodyguards. Patterson said the governor had "very little comment to make; he was just listening to what was being said." Reed's case will unravel when the judge rules that no evidence regarding Mena, the CIA, Dan Lasater, the Arkansas Development Finance Agency or the Clintons will be permitted.

Drug distributor Dan Lasater is pardoned by Governor Clinton after serving just six months in jail and four in a halfway house on minor charges. One law enforcement official will describe the investigation into Lasater's operations as "either a high dive or extremely unprofessional. Take your pick." The alleged reason for the pardon: so Lasater can get a hunting license. Lasater returns to his 7,400 acre ranch in Saline County.

Jean Duffey, the head of a newly created drug task force, starts investigating between the train deaths and drugs. She is told by her prosecuting attorney boss, "You are not to use the drug task force to investigate public officials." Duffey will later tell the Wall Street Journal, "We had witnesses telling us about low-flying aircraft and informants testifying about drug pick-ups."

Jim McDougal is acquitted of bank fraud.

Gov. Clinton is elected to a second four-year term. He promises to serve the full term and not run for president.

Clinton talks to Gennifer on the phone. The call is recorded. An excerpt

[[Flowers asks him if he is going to run for president]: I want to but I don't want to be blown out of the water with this. I don't see how they can hurt me so far. If they don't have pictures of me and . . . if no one says anything. Or even if someone says something, they don't have much.

# 1991

The Arkansas Industrial Development Commission furthers the Indonesian - Arkansas connection. Deals are worked on for Wal-Mart, Tyson's Foods, and JB Hunt. The US ambassador in Jakarta at the time will later remark, "There were lots of people from Arkansas who came through Indonesia."

An IRS memorandum reveals that even at this late date "the CIA still has ongoing operations out of the Mena, AR airport. "

Arkansas State Police investigator Russell Welch, who has been working with IRS investigator Bill Duncan on drug running and money laundering at Mena, develops pneumonia-like symptoms. The Washington Weekly later described the incident: "On the weekend of September 21, 1991, Arkansas State Police Investigator Russell Welch met with IRS Investigator Bill Duncan to write a report on their investigation of Mena drug smuggling and money laundering and send it to Iran-Contra prosecutor Lawrence Walsh.. Returning to Mena on Sunday, Welch told his wife that he didn't feel too well. He thought he had gotten the flu . . . In Fort Smith a team of doctors were waiting. Dr. Calleton had called them twice while Welch was in transport and they had been in contact with the CDC. Later the doctor would tell Welch's wife that he was on the edge of death. He would not have made it through the night had he not been in the hospital. He was having fever seizures by now. A couple of days after Welch had been admitted to St. Edwards Mercy Hospital, his doctor was wheeling him to one of the labs for testing when she asked him if he was doing anything at work that was particularly dangerous. He told her that he had been a cop for about 15 years and that danger was probably inherent with the job description. She told Welch that they believed he had anthrax. She said the anthrax was the military kind that is used as an agent of biological warfare and that it was induced. Somebody had deliberately infected him. She added that they had many more tests to run but they had already started treating him for anthrax."

While in Washington, D.C., where he holds a permit to carry a gun, IRS agent Bill Duncan is arrested for weapons possession (his service revolver), roughed up and handcuffed to a pipe in the basement of a DC police station. After the incident he is taken off of the Mena investigation. Later, when he was asked to falsify testimony for a federal grand jury, he refuses and is fired on the spot.

State Attorney General Winston Bryant and Arkansas Rep. Bill Alexander send two boxes of Mena files to special prosecutor Lawrence Walsh. Bryant says the boxes contain "credible evidence of gunrunning, illegal drug smuggling, money laundering and the governmental coverup and possibly a criminal conspiracy in connection with the Mena Airport." Seventeen months later, Walsh writes Bryant a letter saying, without explanation, that he had closed his investigation. Says Alexander later, "The feds dropped the ball and covered it up. I have never seen a whitewash job like this case."

Dan Harmon becomes the new prosecuting attorney in the district responsible for the train deaths investigation.

Harmon's drug investigator Jean Duffey is discredited, threatened and ultimately has to flee Arkansas.

A Washington, DC, political fundraiser will later claim presidential candidate-to-be Clinton invites her to his hotel room during a political trip to the nation's capital, pins her against the wall and sticks his hand up her dress. She says she screamed loud enough for the Arkansas state trooper stationed outside the hotel suite to bang on the door and ask if everything was all right, at which point Clinton releases her and she flees the room. When she reports the incident to her boss, he advises her to keep her mouth shut if she wants to keep working.

The day Clinton announces his candidacy for the White House, Meredith Oakley sizes him up in the Arkansas Democrat Gazette: "His word is dirt. Not a statesman is he, but a common, run-of-the-mill, dime-a-dozen politician."

A mere opportunist. A man whose word is fallow ground not because it is unwanted but because it is barren, bereft of the clean-smelling goodness that nurtures wholesome things. Those of us who cling to the precepts of another age, a time in which a man's word was his bond, and, morally, bailing out was not an option, cannot join the madding crowd in celebrating what is for some Bill Clinton's finest hour. We cannot rejoice in treachery. The bleaters who care more for celebrity than veracity are basking in a false and empty light. They trumpet the basest form of political expediency, for they revel amid the debris of a broken promise. Clinton will never accept that assessment of his actions or his following. He subscribes to the credo that the anointed must rule the empire, and he has anointed himself. In his ambition-blinded eyes, one released from a promise has not broken any promise. He ignores the fact that he granted his own pardon."

Clinton buddy and Little Rock restaurant owner, Yah Lin "Charlie" Trie, starts Daihatsu International Trading Co., with offices in Arkansas, Washington, and Beijing.

The Federal Reserve begins an investigation of BCCI's alleged control of First American Bank. A few months later BCCI itself is shut down in what would be revealed as the world's biggest bank scandal ever. Bill Clinton announces for president. Among his targets: "S&L crooks and self-serving CEOs."

Another call between Clinton and Flowers is recorded:

[From 1991: With Clinton running for president, the Flowers rumors are heating up again]: If they ever hit you with it, just say no and go on. There's nothing they can do... I just think if everyone's on record denying it, you got no problems.

FLOWERS: Why would they waste their money and time coming down here?

CLINTON: They're gonna try and run this. [But if] everybody kinda hangs tough, they're just not gonna do anything. They can't. They can't run a story like that unless somebody says, 'Yeah, I did it.'

Art Harris in a Penthouse story also reports that on "another tape they discuss how she might turn double agent and attempt to entrap the local Republicans who had approached her with a reported \$50,000 to go public." Flowers also phones Clinton to ask him to help her get out of town before reporters began digging into how she got her state job. Clinton promises to help.

## 1992

The Worthen Bank gives Clinton a \$3.5 million line of credit allowing the cash-strapped candidate to finish the primaries. Stephens Inc. employees give Clinton more than \$100,000 for his presidential campaign.

Soraya and Arief Wiriadinata, the daughter and son-in-law of Lippo's co-founder, donate \$450,000 to the DNC. Arief Wiriadinata came to the US from Indonesia allegedly to study landscape architecture -- although some accounts describe him simply as a gardener. At last reports Wiriadinata is now back home, working for Sea World Indonesia.

Little Rock Worldwide Travel provides Clinton with \$1 million in deferred billing for his campaign trips. Clinton aide David Watkins boasts to a travel magazine, "Were it not for World Wide Travel here, the Arkansas governor may never have been in contention for the highest office in the land." In fact, without the Worthen and Worldwide largess, it is unlikely that the cash-strapped candidate could have survived through the later primaries.

A massive "bimbo" patrol is established to threaten, buy, or otherwise disarm scores of women who have had sexual encounters with Clinton. The campaign uses private investigators in an extensive operation that will be joked about at the time but later will be seen as a form of blackmail as well as psychological and physical intimidation.

The Pine Bluff Commercial notes, "It's very difficult to catch Bill Clinton in a flat lie. His specialty is a lengthy disingenuousness."

Money magazine reports that Clinton annually receives about \$1.4 million in admissions tickets to the state-regulated Oaklawn racetrack which he hands out to campaign contributors and others.

According to Brooks Jackson of CNN, the commission that regulates Arkansas's only greyhound track meets several times a year at the track's exclusive Kennel Club, with the Southland Greyhound Park paying for the commissioners' food and booze.

Gennifer Flowers records her last conversation with Bill Clinton. On the tape Clinton says, "If they ever ask if you've talked to me about it, you can say no." Clinton describes Mario Cuomo as a "mean son of a bitch" and when Flowers says, "I wouldn't be surprised if he didn't have some Mafioso connections," the reply is: "Well, he acts like one," followed by a chuckle. Of the press, Clinton advises, "If they ever hit you with it, just say no and go on. There's nothing they can do. I expected them to look into it and come interview you. But if everybody is on record denying it, no problem" Many papers, including the Washington Post and the New York Times, fail to let their readers know what is on the tapes. In 1997 Gennifer Flowers, interviewed by Penny Crone and Curtis Sliwa on New York's WABC, will claim that she had received threats -- including death threats -- around the time of her tape recorded conversations with Bill Clinton and that this was why she had made the recordings. Asked whether she thought Clinton was behind the threats, Flowers replies, "What I thought, after my home was ransacked, was that he was behind that -- simply because I had called to tell him about it and it was his reaction it. I mean, he acted, he was aloof. Her didn't act that concerned. He said, 'Well, why do you think they came in there?' And I said, 'Well, why the hell do you think?' He said, 'Well, do you think they were looking for something on us?' I said, 'Well, yes.' And at that moment I thought, well, maybe you're behind this because he would have as much interest to know what evidence I might have as anyone else would." Flowers also said, "One thing that Bill said on those tapes that I think has run true throughout his presidency. He told me, 'If we stick together and we continue to deny it, everything will be OK.'"

A survey of campaign reporters finds that by February, 90% favor Clinton for president.

Major media censor a second alleged sex scandal involving Bill Clinton that breaks in a supermarket tabloid just days before the New Hampshire primary. The story, in the Globe, charges that Clinton had a relationship with a woman who claimed that Clinton was the father of her child. The woman also claims she attended group sex sessions with Clinton. The woman is now reportedly in Australia.

Time Magazine runs an article called "Anatomy of a Smear" in which Clinton's involvement in the Mena drug/Contra operation is whitewashed and those trying to expose it are, well, smeared.

The Pine Bluff Commercial notes: "It's very difficult to catch Bill Clinton in a flat lie. His specialty is a lengthy disingenuousness."

Former Miss Arkansas Sally Perdue goes on the Sally Jesse Raphael Show and says she had an affair with Bill Clinton. She will later tell the London Sunday Telegraph that state troopers often dropped Clinton off at her place in his jogging gear: "He saw my Steinway grand piano and went straight over to it and asked me to play. . . . When I see him now, president of the United States, meeting world leaders, I can't believe it. . . . I still have this picture of him wearing my black nightgown, playing the sax badly. . . . this guy tiptoeing across the park and getting caught on the fence. How do you expect me to take him seriously?"

After the TV show, Perdue says she was visited by a man who described himself as a Democratic Party operative and who warned her not to reveal specifics of the affair. "He said there were people in high places who were

anxious about me and they wanted me to know that keeping my mouth shut would be worthwhile. . . If I was a good little girl, and didn't kill the messenger; I'd be set for life: a federal job, nothing fancy but a regular paycheck. . . I'd never have to worry again. But if I didn't take the offer, then they knew that I went jogging by myself and he couldn't guarantee what would happen to my 'pretty little legs.'"

Perdue says she later found a shotgun cartridge on the driver's seat of her Jeep and had her back window shattered.

James Riady, his family, and employees give \$700,000 to Clinton and the Democratic campaign.

Clinton's speech interpreter for the deaf, Paula Grober, is killed in a high-speed, no-witness one-car crash. Had traveled extensively with Clinton since 1978

During the New Hampshire primary Clinton flies back to Little Rock to preside over the execution of Ricky Ray Rector. The prisoner was so brain damaged that he saved his pie to eat later. Rector was accustomed to placing his dessert in a corner of the cell to be eaten just before he went to sleep.

CHRISTOPHER HITCHENS, SLATE - The Country Club of Little Rock had 500 members, all of them white, and the aspirant candidate had himself photographed there more than once until Jerry Brown made an issue of it. It was then announced by Clinton's people that "the staff and facilities" at the club were "integrated" - a pretty way of stating that the toilets were cleaned by black Arkansans.

A grand jury indicts BCCI principals, including Clark Clifford and Robert Altman. A week later, a grand jury in Washington and the Federal Reserve issue separate actions against Clifford and Altman.

Resolution Trust Corporation field officers forward a criminal referral on Madison Guaranty to Charles Banks, U.S. Attorney for the Eastern District of Arkansas. The referral alleges a check-kiting scheme by Madison owners Jim and Susan McDougal and names the Clintons and Jim Guy Tucker as possible beneficiaries. Banks forwards the referral to Washington.

After the election Vincent Foster meets with James McDougal and arranges for him to buy the Clintons' remaining shares in Whitewater Development Co. for \$1,000.

## 1993

Arkansas Governor Jim Guy Tucker comes to Washington to see his old boss sworn in, leaving his state under the control of the president pro tem of the senate, Little Rock dentist Jerry Jewell. Jewell uses his power as acting governor to issue a number of pardons, one of them for a convicted drug dealer, Tommy McIntosh. According to the Washington Times, many in the state "say it was a political payoff, offered in exchange for dirty tricks Mr. McIntosh played on Clinton political opponents during the presidential campaign, or as a payoff for stopping his attacks on Mr. Clinton." It seems that the elder McIntosh had worked for Clinton in his last state campaign and, according to McIntosh in a 1991 lawsuit, had agreed not only to pay him \$25,000 but to help him market his recipe for sweet potato pie and to pardon his son.

Webster Hubbell's name surfaces as a potential nominee for deputy attorney general but he tells friends he does not want that job or, reports Time, "to take any other position that involves Senate confirmation -- perhaps to avoid fishing expeditions into the law firm's confidential business."

New attorney general Janet Reno fires all US Attorneys

Two Arkansas state troopers describe arguments between the Clintons, including (in the words of Washington Times reporter Jerry Seper) "foul-mouthed shouting matches and furniture-breaking sessions."

Hillary Clinton and David Watkins move to oust the White House travel office in favor of World Wide Travel, Clinton's source of \$1 million in fly-now-pay-later campaign trips. The White House fires seven long-term employees for alleged mismanagement and kickbacks. The director, Billy Dale, charged with embezzlement, will be acquitted in less than two hours by the jury. An FBI agent involved in the case, IC Smith, will write later, "The White House Travel Office matter sent a clear message to the Congress as well as independent counsels that this White House would be different. Lying, withholding evidence, and considering - even expecting - underlings to be expendable so the Clintons could avoid accountability for their actions would become the norm."

According to a later report in Insight Magazine, the Clinton administration eavesdrops on over 300 locations during the Seattle Asia-Pacific Economic Cooperation Conference. FBI videotapes of diplomatic suites "show underage boys engaging in sexcapades with men in several rooms over a period of days." The operation involves the FBI, CIA, NSA and Office of Naval Intelligence. Bugged are hotel rooms, telephones, conference centers, cars, and even a charter boat. Some of the information obtained is apparently passed on to individuals with financial interests in Asia.

Washington attorney Paul Wilcher is found dead on a toilet in his apartment. He is said to be investigating various scandals including the October Surprise, the 1980 election campaign, drug and gun-running through Mena and the Waco assault. He was also planning a TV documentary on his findings. He delivered an extensive affidavit to Janet Reno three weeks before his death.

Joseph Giroir, former chairman of the Rose Law Firm, incorporates the Arkansas International Development Corp. to work with Indonesia's Lippo Group

Vince Foster, the Clintons' attorney, finally files missing Whitewater tax returns.

The RTC and SBA investigate the \$300,000 SBA-approved loan to Susan McDougal in 1986, provided by Capital-Management Services Inc. owned by David L. Hale. The FBI obtains a warrant to search Hale's office.

On July 19, FBI director William Sessions is fired. Clinton personally orders him by phone to turn in his FBI property and leave headquarters.

That evening, Clinton security aide Jerry Parks' wife Jane says she overhears a heated telephone conversation with Vince Foster in which her husband says, "You can't give Hillary those files, they've got my name all over them."

On July 20, Clinton names Louis Freeh as Sessions' successor.

That same day, the FBI raids David Hale's Little Rock office and seizes documents including those relating to Capital-Management.

Just hours after the search warrant authorizing the raid is signed by a federal magistrate in Little Rock, Vince Foster apparently drives to Ft. Marcy Park without any car keys in a vehicle that changes color over the next few hours, walks across 700 feet of park without accruing any dirt or grass stains, and then shoots himself with a vanishing bullet that leaves only a small amount of blood. Or at least that is what would have to had occurred if official accounts are to be reconciled with the available evidence. There are numerous other anomalies in this quickly-declared suicide. Despite two badly misleading independent counsel reports, Foster's death will remain an unsolved mystery.

Less than three hours after Foster's body is found, his office is secretly searched by Clinton operatives, including Mrs. Clinton's chief of staff. Another search occurs two days later. Meanwhile, US Park Police and FBI agents are not allowed to search the office on grounds of "executive privilege."

Foster's suicide note is withheld from investigators for some 30 hours. The note is in 27 pieces with one other piece missing. Foster's personal diary will be withheld from the special prosecutor for a year despite being covered by a subpoena.

Patrick Knowlton, who stops in the park seventy minutes before Foster's body is found, reports seeing things that do not fit the official version. Declining under pressure to change his story, he is eventually subpoenaed by the Whitewater prosecutor. On that day, he becomes the target of extensive overt harassment and surveillance of a sort used by intelligence agencies to intimidate witnesses.

Jerry Parks, the Clinton security aide in Arkansas, known to have been keeping a dossier on Clinton, is gunned down two months after Foster's death in his car outside of Little Rock. Parks is shot through the rear window of his car and shot three more times, thru the side window, with a 9mm pistol. Parks ran American Contract Services, the business which supplied bodyguards for Clinton during his presidential campaign and the following transition. Bill Clinton still owed him \$81,000. Parks had collected detailed data on Clinton's sexual escapades, including pictures and dates. Wife claims federal agents subsequently removed files and computer. She also says that upon learning of Vincent Foster's death, he told her, "I'm a dead man." In 2005, however, a woman claiming to be Parks' daughter will post on the Internet the claim that the murder was done at the behest of a member of the family.

Writing of the purported Hillary Clinton divorce draft papers of 1988, journalist Philip Weiss will report: "That file still existed in '93, and the Clintons were scared it would get out. Remember--and this is fact--that on the night of Foster's death in July 93, his office was rifled of files. And the phone records unearthed by Michael Chertoff suggested strongly that Hillary was in on that activity, talking to Maggie Williams and Bernie Nussbaum and as I recall Susan Thomases too, in a series of frenetic calls that night. . . . Two months after Foster died, a former Clinton aide named Luther "Jerry" Parks was murdered gangland style as he drove through Little Rock. . . . Parks's son told me that his father had worked with Foster to put together the divorce file, and that he kept a copy of that file, and the Clinton people wanted it. There have been suggestions that Parks was shaking people down with what he knew; and he came to a bad end."

Four years after Foster's death, the Progressive Review will summarize some of the remaining questions: "Why did Miquel Rodriguez, the assistant US Attorney assigned by Starr to reopen the investigation into Foster's death, resign? Was it true, as some have alleged, that he was blocked from aggressively pursuing the case? Why was he denied the opportunity to bring in experts outside the FBI to deal with inconsistencies? Why did Starr, in reopening the Foster case, permit FBI agents to review their own work in the previous investigation? There have been conflicting statements as to whether any x-rays were taken of Foster after his death. Were there or weren't there? If there were, where have they gone? If there weren't, why not? It is standard police procedure to investigate suicides as though they were murders? Why wasn't this done in the case of Vince Foster? Why did Bernard Nussbaum ask for the combination of Foster's safe immediately after his death? Why were manila envelopes in the safe addressed "Eyes Only" to Janet Reno and William Kennedy never delivered to them? Where are these envelopes and what was in them? Whose blood-stained car was towed to the FBI garage from Ft. Marcey Park the same night as Foster's death? How did Foster walk 750 feet through a park without gathering any physical evidence of the hike on his shoes? How did his glasses end up 19 feet from his body? What were the origins of numerous carpet fibers found all over Foster's clothing and underwear? How did it happen that all 35 mm film of the scene was either overexposed or missing? How did it happen that most of the Polaroid shots have vanished? How did Foster manage to shoot himself yet die laid out in the careful manner of someone placed in a coffin? Why were there no fingerprints on the gun? Why did no one hear the shot? Where is Foster's appointment book? How did car keys, not

found during the investigation in the park, turn up with Foster at the morgue? How was Foster's car opened at the park since officials claimed it was locked? Where is the bullet that killed Foster? Why did witnesses have their testimony changed and why was one witness subsequently harassed in a manner used by intelligence agents for intimidation? What did Foster do in the hours between lunch time and when he supposedly killed? What did Marsha Scott of the White House staff and Vince Foster talk about during the two hour meeting they had the day before he died? Why can't Marsha Scott remember? What did Foster do on secret trips to Switzerland and other locations about which his wife knew nothing? Why have police and rescue workers been forbidden to discuss the case?

John Clarke, the lawyer for Patrick Knowlton, raises some other issues:

-- Can you tell us why no fingerprints were found on (1) the external surface of the gun found in Mr. Foster's hand; (2) the cartridge casing of the bullets found in the gun; (3) Mr. Foster's eyeglasses; (4) Mr. Foster's car; (5) any of the contents in his car; and (6) the torn "suicide" note?

-- Your report on Mr. Foster's death claims there was a 1 1/4 x 1 inch, or half-dollar sized exit wound in the back of Mr. Foster's head caused by a .38 caliber gunshot with high velocity ammunition. Please explain why out of all the witnesses at the scene, not one reported or documented having seen this wound, or brain matter, or bone fragments or blood splatter on or around the body, head or vegetation, as would be expected.

-- Between the hours of 4:30 p.m. and 6:05 p.m., there is a record of six witnesses -- Jennifer Wacha, Judith Doody, Mark Fiest, Todd Hall, Patrick Knowlton and George Gonzalez -- having seen an older brown Honda within the Fort Marcy parking lot, parked in the same spot as Mr. Foster's car was later found. Inasmuch as Mr. Foster's Honda was silver and much newer than the brown Honda described by the witnesses, and inasmuch as Mr. Foster was dead by 4:30, how is it that Mr. Foster's car arrived in the park after he was already dead?

-- Mr. Foster's body was found at Fort Marcy Park with his car but without any car keys. Later that evening William Kennedy and Craig Livingstone showed up at the morgue and so did Mr. Foster's car keys. There are conflicting reports in the record about when Kennedy and Livingstone and the U.S. Park Police arrived at the morgue. Can you explain where William Kennedy and Craig Livingstone were during the five-hour period when Vincent Foster was last seen and his body was discovered?

The Washington Times will report later that Whitewater files were removed from Vince Foster's office after his death.

Clinton confidante Paula Casey is appointed US Attorney in Arkansas. She turns down a proposed plea agreement with David Hale in which he promises to reveal information concerning the "banking and borrowing practices of some individuals in the elite political circles of the State of Arkansas." Hale will later be charged with fraud.

Nine new criminal referrals on Madison Guaranty are forwarded to U.S. Attorney Casey. Casey will reject an earlier one and recuse herself from the latest cases.

Buddy Young, former head of Bill Clinton's security detail, is promoted to a senior position in FEMA paying \$92,000 a year and moved from DC to Denton, TX, one day after Vince Foster's death. Would eventually become number two in the agency.

A package for Bill Clinton arrives from Arkansas containing a vial of something labeled as an allergy medicine. White House physician Burton Lee is instructed to inject the president with the serum. He refuses to do so without knowing more about the serum and seeing Clinton's medical history. When Dr. Lee calls Clinton's Arkansas doctor, she says she has to check with Hillary before releasing the records. Just one hour later, Dr. Lee is fired. In 1996 Richard Reeves will state that Clinton "tries to avoid heavy lifting or meetings after he has taken his allergy shots because he is so punchy; he has trouble thinking coherently."

Four former ATF agents are killed during the Waco Massacre - all had served as bodyguards to Bill Clinton. Questions will be raised as to the nature and source of their wounds.



Four Clinton bodyguards are killed in a helicopter crash in woods near Quantico VA. Reporters are barred from site, but fire department chief reports security tight with "lots of Marines with guns." Videotape made by firefighter is seized by Marines.

John Huang and James Riady give \$100,000 to Clinton's inaugural fund . . . February: Huang arranges private meeting between Mochtar Riady and Clinton at which Riady presses for renewal of China's 'most favored nation' status and a relaxation of economic sanctions . . . June: China's 'most favored nation' status is renewed. Price being paid by China Resources Company Ltd. for Lippo's Hong Kong Chinese Bank jumps to 50% above market value. The Riadys make \$163 million.

Proposed poultry regulations would cost Tyson Food an estimated \$57 million initially and \$39 million annually. Tyson will later be found to have given illegal gifts to Agriculture Secretary Michael Espy during the time these regulations were under consideration. Tyson will pay fines and cost of \$6 million. Value of government contracts Tyson Food will still have: \$200 million. Espy will get off because there is insufficient evidence that he did any favors in return for the bribes.

ROGER MORRIS & SALLY DENTON, PENTHOUSE - Prominent backers of Clinton's over the same years . . . have themselves been subjects of extensive investigative and surveillance files by the D.E.A. or the F.B.I. similar to those relating to [Barry] Seal, including allegations of illegal drug activity . . .

"This may be the first president in history with such close buddies who have NADDIS numbers," says one concerned law-enforcement official, referring to the Narcotics and Dangerous Drugs Intelligence System numbers assigned those under protracted investigation for possible drug crimes.

The government sees ATT's new tap-proof phone as a threat. Webster Hubbell is assigned by Janet Reno to deal with the secure phone issue. Assistant Attorney General Colgate writes Hubbell: "The FBI, NSA and NSC want to purchase the first production run of these devices to prevent their proliferation. They are difficult to decipher and are a deterrent to wiretaps." Webster Hubbell arranges to buy the entire production run of secure AT&T phones using a slush fund filled by drug war confiscations. Part of the plan is to refit the phones with a new chip called Clipper that has been developed by NSA. This chip allows the government to tap the phone using a special key. A supply of these refitted phones is given to the Drug Enforcement Agency. Now other government agencies can tap the DEA. The plan also mandates Clipper chips for all American telephones. According to the Colgate memo to Hubbell, "FBI, NSA and NSC want to push legislation which would require all government agencies and eventually everyone in the U.S. to use a new public- key based cryptography method." The Clipper plan will eventually put on hold because of a large public outcry.

White House agrees to sell a Cray supercomputer to China in what was described as a good will gesture. Up to that point the fastest computer in China could do no more than 70 million calculations per second; the Cray has a speed of 958 million calculations per second. Before the China - Clinton connection is over, the president will have removed \$2 billion in trade with China from national security scrutiny. Among the results: the Chinese will obtain 77 supercomputers that can scramble and unscramble secret data and design nuclear weapons. At least some of them will be used by the Chinese military.

President Clinton will also sign national security waivers to allow four US commercial satellites to be launched in China, despite evidence that China was exporting nuclear and missile technology to Pakistan and Iran, among other nations. One of these satellites belongs to Loral. Nine days later a Chinese Long March rocket carrying a \$200 million satellite belonging to Loral fails in mid-flight. A subsequent law suit charges that the circuit board from the highly classified encryption device in the satellite was found to be missing when the Chinese returned debris from the explosion to US authorities, even though a control box containing the circuit board was recovered intact. After the crash, NSA reportedly changes the encoded algorithms used by US satellites because of the apparent

release of highly classified information. Throughout these dealings, the CEO of Loral, Bernard Schwartz, will contribute at least \$1.5 million to the Democrats, making him the single largest contributor to these groups during the period in question.

Commerce Secretary Ron Brown okays the sale of new American engines for China to put in its cruise missiles. The engines were built as military equipment but Brown reclassifies them as civilian. The Saudis want some American planes; Brown tells them: you want the planes you also want a phone contract with ATT. Cost of the planes and hardware: \$6 billion. Cost of the phone contract: \$4 billion. Part of the deal is an ATT side agreement with a firm called First International. The owner: Ron Brown

[Hundreds of FBI background](#) files on officials in previous Republican presidential administrations were improperly given in 1993 and 1994 to Craig Livingstone, the director of White House security who was a Hillary Clinton favorite. No illegal activity was ever proven, and Livingstone ultimately resigned.

## 1994

Ron Brown goes to China with an unprecedented \$5.5 billion in deals ready to be signed. Included is a \$1 billion contact for the Clinton-friendly Arkansas firm, Entergy Corporation, to manage and expand Lippo's power plant in northern China. Entergy will also get contracts to build power plants in Indonesia. James Riady tells the Arkansas Democrat-Gazette: "I think the idea of having President Clinton from Arkansas in the White House shouldn't be underestimated."

Gandy Baugh, an attorney who had represented Clinton buddy and drug distributor Dan Lasater, allegedly jumps to his death. Baugh's law partner commits suicide one month later.

Five days after her ex-husband, Danny Ferguson, is named a co-defendant in the Jones law suit, Kathy Ferguson is found dead. She leaves a suicide note but the body is found in her living room next to packed bags as though she was planning to take a trip. Not long afterwards, Kathy Ferguson's fiancée, a state trooper, is found dead by gunshot at her gravesite. Leaves note saying "I can't stand it any more." The local police chief says, "It puts big questions in your mind. Why?"

White House-assigned FBI agent Gary Aldrich agrees to help trim the Christmas tree in the Blue Room. Aldrich is surprised to find a small clay ornament of 12-lords-aleaping. Among the things that were aleaping on the 12 lords are their erections. Also provided by Hillary Clinton and her staff for the tree: ornaments made of drug paraphernalia such as syringes and roach clips, three French hens in a menage à trois, two turtle doves fornicating, five golden rings attached to a gingerbread man's ear, nipple, belly button, nose, and penis.

Hundreds of White House employees still do not have security clearances.

White House staffers get a memo designed to help them keep track of the two score scandal issues that have arisen under Clinton.

Bill Clinton speaks to a group of Southeast Washington high school students about sex: "This is not a sport, this is a solemn responsibility." He tells the young men at the gathering that they should stop having sex "when they're not prepared to marry the others, they're not prepared to take responsibility for the children and they're not even able to take responsibility for themselves."

Webster Hubbell is convicted of tax evasion and mail fraud involving the theft of nearly a half million dollars from his partners at the Rose firm and failing to pay nearly \$150,000 in taxes. After quitting the Justice Department and

before going to jail, Hubbell is a busy man. He meets with Hillary Clinton, and follows up by getting together with major scandal figures John Huang, James Riady, and Ng Lapseng. Riady and Huang go to the White House every day from June 21 to June 25, 1994 according to White House records. Hubbell had breakfast and lunch with Riady on June 23. Four days later -- and one week after Hubbell's meeting with Hillary -- the Hong Kong Chinese Bank, jointly owed by Lippo and the Chinese intelligence services, sends \$100,000 to Hubbell. Huang, incidentally, formerly worked for the Hong Kong Chinese Bank. Hubbell also receives \$400,000 from other sources.

Three weeks later, John Huang quits the Lippo Group -- with a golden parachute of around \$800,000 -- and goes to work for the Commerce Department. Some believe the move is instigated by Hillary Clinton. Commerce Secretary Ron Brown orders a top secret clearance for Huang. While at Commerce, Huang visits the White House about 70 times, is briefed 37 times by the CIA, views about 500 intelligence reports, and makes 281 calls to Lippo banks. He also makes extraordinary use of the fax machine at a Stephens Inc office across the street from Commerce.

House Banking Committee chair James Leach finds a known Clinton private investigator scoping out his house. The PI quickly leaves. Leach doesn't go public with the story but tells colleagues that the intended message was clear: "You mess with us, we'll mess with you."

Macao businessman Ng Lap Seng, closely linked to a couple of major Chinese-owned enterprises, is regularly bringing in large sums of money to the US, according to customs records. On June 20 he arrives with \$175,000 and then two days later meets with Charlie Trie and Mark Middleton at the White House. That evening Ng sits at Clinton's table at a DNC fundraiser. Middleton, incidentally, has a 24-hour pass that allowed him to visit Trie's apartment at the Watergate at any time. The apartment is paid for by Ng.

A top RTC attorney meets with agency investigator Jean Lewis and is secretly taped saying that top RTC officials "would like to be able to say that Whitewater did not cause a loss to Madison."

## 1995

Operating with an interim top secret clearance (but without FBI investigation or foreign security check) new Commerce official Huang requests several top secret files on China just before a meeting with the Chinese ambassador.

Huang and the Riadys hold a meeting with Clinton. Not long after, Huang goes to work as a Democratic fundraiser, but remains on Commerce's payroll as a \$10,000 a month consultant. Huang raises \$5 million for the campaign. About a third of that is returned as having come from illegal sources. Among the problem contributions: \$250,000 to the DNC from five Chinese businessmen for a brief meeting with Clinton at a fundraiser.

Webster Hubbell, a former Rose law firm partner -- although not known for skill in Asian trade matters -- goes to work for a Lippo Group affiliate after being forced out of the Clinton administration and before going to jail. Is asked at a Senate hearing by the majority counsel: "I guess the question is really this, it is whether, in connection with this representation, you received a large amount of money and that may have had an impact on the degree of your cooperation with the independent counsel or with us?" Hubbell responds, "That's pretty rotten" and chair Al D'Amato changes the subject. Hubbell had represented both Worthen and James Riady during the 1980s.

The White House hosts a major drug dealer at its Christmas party. Jorge Cabrera -- who gave \$20,000 to the DNC - - is also photographed with Al Gore at a Miami fund-raiser, a fact the Clinton administration initially attempts to conceal by arguing that a publicity shot with the Veep is covered by the Privacy Act. Cabrera was indicted in 1983 by a federal grand jury -- on racketing and drug charges -- and again in 1988, when he was accused of managing a

continuing narcotics operation. He pleaded guilty to lesser charges and served 54 months on prison. After his visit to the White House he will be sentenced to 19 years on prison for transporting 6,000 pounds of cocaine into the US. The Secret Service says letting him come to the WH was okay because he posed no threat to the president.

The Washington Times reports that Clinton has pardoned without fanfare a gambling pal of his mother. Jack Pakis was convicted under the Organized Crime Control Act, sentenced to two years in prison, but the sentence was suspended. He was fined and put on probation. Pakis had been arrested as part of an FBI sting operation against illegal gambling in Hot Springs. According to the Washington Times, "his trial judge described Mr. Pakis as a professional gambler, part owner of an illegal casino and an illegal bookmaker for football and horse-racing bets." US District Judge Oren Harris remarked that the FBI had "reached into Hot Springs to put a stop to gambling that has existed here since the 1920s." But he suspends the sentence, saying that since local acceptance of gambling was so widespread it would be unfair to send Pakis and his co-defendants to jail. Pakis, incidentally, once owned a piece of the Southern Club -- Al Capone's favorite -- in Hot Springs where, as Clinton's mom put it in her autobiography, "gangsters were cool and the rules were meant to be bent."

Roger Morris and Sally Denton write a well-documented account of drug and Contra operations in Arkansas during the '80s. The Washington Post's Outlook section wants to run it, offers their highest price ever for a story, but is overruled by higher-ups. Reports Ambrose Evans-Pritchard in the London Telegraph, "The article was typeset and scheduled to run in today's edition of The Washington Post. It had the enthusiastic backing of the editors and staff of the Sunday Outlook section, where it was to appear after eleven weeks of soul-searching and debate. Lawyers had gone through the text line by line. Supporting documents had been examined with meticulous care. The artwork and illustrations had been completed. The contract with the authors had been signed. Leonard Downie, the executive editor of the newspaper, had given his final assent. But on Thursday morning the piece was cancelled. It had been delayed before - so often, in fact, that its non-appearance was becoming the talk of Washington - but this time the authors were convinced that the story was doomed and would never make it into the pages of what is arguably the world's most powerful political newspaper." Morris and Denton withdraw the story, which is later published by Penthouse Magazine after being rejected by Vanity Fair, one of whose editors told the pair, "We don't do substantive stories."

A burglar breaks into the car of White House lawyer Cheryl Mills as she was preparing to testify before a Senate committee on the Whitewater affair. Taken, according to a friend, were her notes on handling Vince Foster's papers after his death.

IRS investigator Bill Duncan has his computer broken into and his 7,000 page file on Mena is tampered with.

The American Spectator magazine publishes an article by L.D. Brown, a former member of Clinton's Arkansas State Police security detail, in which he describes participating in two secret flights from Mena in 1984, during which M-16 rifles were traded to Nicaraguan Contra rebels in exchange for cocaine. Brown also claims that Clinton knew of the activity. Writes Mara Leveritt in the Arkansas Times: "That announcement spurred Fort Smith lawyer Asa Hutchinson, chairman of the Arkansas Republican Party, to request yet another congressional inquiry into long-standing allegations of money-laundering at Mena. Hutchinson was the U.S. attorney for the western district of Arkansas when investigators first presented evidence supporting those allegations. In an argument disputed by police investigators, Hutchinson claims he left office before the evidence was well established. Since he harbors political ambitions, he has an interest in clearing his name."

Johnny Chung testifies before a house committee, describing himself as a somewhat befuddled but well-meaning pawn of macro-politics. His testimony describes how a fax broadcast service owner became sought after by the White House, the DNC, various Chinese generals and officials, not to mention being called to a karaoke bar in the middle of the night to advise a Chinese-American on the lam from the US. Things seldom worked out quite right for

Chung - witness this tale: "I next saw General Ji's wife when she came back to the United States with her son. I set up their attendance at a Presidential fundraiser - the "Back to the Future" event - at a California movie studio on October 17, 1996. I took my driver and secretary as well as the General's wife and Alex to meet the President. There was a mix-up with the DNC and my driver and secretary were given a private audience with the President while me and the General's wife and son were not included. While my driver and secretary were very appreciative, I was very upset."

According to the Legal Times, Independent Counsel Donald Smaltz's probe has been "significantly curtailed by the Justice Department" as he turns his attention to Tyson Foods.

State trooper Russell Welch, who investigated Mena, is forced into early retirement.

Monica Lewinsky begins an internship at the White House. In November she starts having an affair with Bill Clinton

RTC investigator Jean Lewis testifies to the House Banking Committee that there is a "concerted effort to obstruct, hamper and manipulate" the Madison investigation.

Governor Jim Guy Tucker and the McDougal are indicted for bank fraud and conspiracy.

In yet another precipitous resignation by a White House counsel, Abner Mivka leaves the post and is replaced by Jack Quinn who is Al Gore's chief of staff. It is unheard of for a president to put someone that close to the vice president in such a key position, suggesting that Gore may have strong-armed Clinton into it as a condition of remaining loyal to him. Quinn is Clinton's fourth White House counsel in one term. Quinn will resign shortly after Clinton's reelection the following year.

**AFP** - Michael Scheuer, a 22-year veteran of the CIA who resigned from the agency in 2004, has told Die Zeit that the US administration had been looking in the mid-1990s for a way to combat the terrorist threat and circumvent the cumbersome US legal system. "President Clinton, his national security adviser Sandy Berger and his terrorism adviser Richard Clark ordered the CIA in the autumn of 1995 to destroy Al Qaeda," Mr Scheuer said. "We asked the president what we should do with the people we capture. Clinton said 'That's up to you'." Mr Scheuer, who headed the CIA unit that tracked Al Qaeda leader Osama bin Laden from 1996 to 1999, says he developed and led the "renditions" program. He says the program includes moving prisoners without due legal process to countries without strict human rights protections.

## 1996

Clinton gives a speech to a group of Little Rock supporters in which he calls those pressing the Whitewater and other investigations "a cancer" that he will "cut out of American politics."

Barbara Wise, a Commerce Department (International Trade Administration) secretary and associate of John Huang, is found bruised and partially nude in a locked office at Commerce. Cause of death remains unknown.

In late March, a score of witnesses are subpoenaed for a grand jury probe of Ron Brown, who hires a \$750/hour criminal attorney. Among the issues: an Oklahoma gas company's alleged funneling of over a half million dollars to in order to get him to fix a lawsuit pending against the firm.

Janet Reno names Daniel Pearson to head the probe. She says he can investigate anything. Brown reportedly urges Clinton to get Reno off his back, but evidence of his crookedness has reached Capitol Hill and the Attorney

General apparently feels there is no turning back. It will be later alleged by some close to Brown that the Commerce Secretary has told the president that if he is going down, he is not going down alone.

Four days after the grand jury subpoenas are issued, Ron Brown is dead -- killed when the plane in which he was flying (along with nearly three dozen other Americans) crashes into a mountain in Croatia. From the start, there are a number of anomalies including inconsistencies over the purported state of the weather, where the plane is reported to have crashed, what happened to the plane's black boxes, and the subsequent suicide of an airport official in charge of navigational aids. Further, even though the crash site is a little over a mile from the runway, the first rescuers do not officially arrive on the scene for more than four hours.

Hillary Clinton attempts to conceal the fact that she had \$120,000 of editorial help in preparing her book-like substance.

Hillary Clinton tells New Zealand television that she was named after Sir Edmund Hillary. At the time of Mrs. Clinton's birth, Hillary was an unknown beekeeper.

Senator Bob Kerrey, chair of the Democratic Senatorial Campaign Committee, tells Esquire that Clinton is "an unusually good liar."

Convicted cocaine distributor Dan Lasater testifies before Congress. The New York Times, among others, does not cover the story even though Lasater is close to Clinton and paid off Roger Clinton's debt to the drug cartel. Lasater also raised race horses and was a track buddy of Virginia Kelly, through whom he met her son Bill. When Lasater started a bonding company, Bill Clinton recommended to him highway commissioner Patsy Thomasson, who would become vice president of the Lasater firm and have power of attorney while he was in jail. Thomasson would eventually become director of White House Management and Administration, responsible for drug testing among other things. While with Lasater, Thomasson hired Clinton's half-brother as a limo driver. Roger was also employed as a stable hand at Lasater's Florida farm. In his trial, and in testimony before the Senate Whitewater committee, Lasater admits to being free with coke, including ashtrays full of it on his corporate jet. He also admits to having given coke to employees and to minors. But he takes umbrage at being called a drug dealer since he didn't charge for the stuff.

According to some witnesses, Lasater also had a back door pass to the governor's mansion. One state trooper reported taking Clinton to Lasater's office regularly and waiting forty-five minutes or an hour for him to come out.

The death of ex-CIA director William Colby, allegedly while canoeing, raises a number of questions. For example, Colby left his home unlocked, his computer on, and a partly eaten dinner on the table. Colby had recently become an editor of Strategic Investment a newsletter which was doing investigative reporting on the Vince Foster death.

Jim McDougal tells a reporter that he doesn't expect to leave prison alive.

An independent investigator finds evidence of an electronic transfer of \$50 million from the Arkansas Development Financial Authority to a bank in the Cayman Islands. Grand Cayman has a population of 18,000, 570 commercial banks, one bank regulator and a bank secrecy law. It is a favorite destination spot for laundered drug money.

The Associated Press reports: "Some of the Clinton White House employees who were placed in a special drug testing program had used cocaine and hallucinogens and were originally denied White House security passes, Secret Service agents testified Wednesday. The testing program was created as a compromise so the new administration's workers could keep their jobs, according to Arnold Cole, who supervised the Secret Service's White House operations. "Initially, our response was that we denied them passes," Cole said in a deposition released by the House Government Reform and Oversight Committee. . . . Another agent's deposition revealed the background

checks turned up use of hard drugs. "I have seen cocaine usage. I have seen hallucinogenic usages, crack usages," said Jeffrey Undercoffer, when asked to describe the types of drugs used by employees who were placed in the special programs. The Associated Press reported Monday that 21 Clinton White House workers had been placed in the special testing after their background checks indicated recent drug abuse."

The son of the man Vince Foster's widow married is killed in a single car crash against a brick wall. There are reports that he had been talking to reporters and that Neil Moody had discovered something unsettling among his stepmother's private papers and was threatening to go public with it just prior to the beginning of the Democratic National Convention. Witnesses say they saw Neil sitting in his car arguing with another person and suddenly speeding off out of control and hitting a brick wall.

Chief of Naval Operations, Admiral Jeremy Boorda, allegedly kills himself after going home for lunch. Explanations for suicide include his wearing an improper medal and/or stresses over Navy downsizing. Explanations for Boorda's suicide focus on a claim that he was embarrassed over two "V for Valor" pins he was not authorized to wear. When it turns out that Boorda was entitled to those decorations, blame shifts to stresses over down sizing of the Navy and the adverse affect that feminism was having on the Navy's morale.

Shelly Kelly is the flight attendant on Ron Brown's ill fated flight. James Nugent of the Wall Street Underground writes, "Four hours and 20 minutes after the crash, the first Croatian Special Forces search party arrives on the scene and finds only Ms. Kelly surviving. They call for a helicopter to evacuate her to the hospital. When it arrives, she is able to get aboard without assistance from the medics. But Kelly never completes the short hop. She dies enroute. According to multiple reports given to journalist/editor Joe L. Jordan, an autopsy later reveals a neat three-inch incision over her main femoral artery. It also shows that the incision came at least three hours after her other cuts and bruises."

Chief Niko Jerkuic, technician in charge of the radio beacons used during the fatal Ron Brown flight commits suicide. Christopher Ruddy and Hugh Sprunt write, "Brown's plane was probably relying on Croatian ground beacons for navigation. In the minutes before Brown's plane crashed, five other planes landed at Dubrovnik without difficulty, and none experienced problems with the beacons. But additional questions about the beacons and the crash will remain unanswered because, as the Air Force acknowledges, airport maintenance chief Niko Junic died by gunshot just three days after the crash and before he could be interviewed by investigators. Within a day of his death, officials determined the death was a suicide."

The three major networks spend an average of one hour and twelve minutes each on the Clinton scandals during all of the year.

According to a report by Michael Isikoff of Newsweek, Charles Uribe, chairman of A.J. Construction Co. in New York, gets an unusual phone message . "The vice president is on the line," his secretary says. "Vice president of what?" Uribe barks. "The vice president of the United States," she says. Uribe immediately takes the call, and other executives in the room listened curiously to their boss's end of the conversation, a string of "yes, sirs" and "no, sirs." When Uribe gets off he explains, "We need to raise \$50,000 for the campaign," he said, according to an account a colleague later give the FBI.

In his 2004 book, "Rewriting History," Dick Morris will allege that Clinton improperly influenced U.S. District Court Judge Henry Woods to dismiss Whitewater charges against then-Arkansas Gov. Jim Guy Tucker, who had threatened to go public about Hillary's involvement in the fraudulent Castle Grande land deal. After Clinton Attorney General Janet Reno ruled that Starr had jurisdiction over Tucker's involvement in Whitewater, Tucker was "furious," said Morris. Using Morris as a go-between, Tucker sent a warning: "Tell the president that if that SOB wants to play the game this way, I know all about the IDC," the formal business name for Castle Grande.

When Morris passes on the threat to Clinton, "he turned white as a sheet."

"Clinton sat down, put his head in his hands and said, 'Oh my God, do you know what he means?'" Morris said he replied, "No, but I think you know what he means."

Later that night, Morris said Clinton told him, "I took care of that problem today." Three weeks later Judge Woods tossed out the Tucker indictment. Though the case was later reinstated, Tucker never followed through on his threat.

Hillary Clinton's Rose law firm billing records, sought for two years by congressional investigators and the special prosecutor are found in the back room of the personal residence at the White House.

Two Arkansas bankers are indicted on bank fraud and conspiracy charges in connection with Clinton's 1990 run for governor.

David Hale is convicted of fraud and sentenced to prison.

Al Gore raises an illegal \$100,000 at a fund-raiser at a Buddhist temple in California.

It is revealed that the White House has been improperly in the possession of large numbers of FBI files on people including political figures.

The CIA admits to having operated out of Mena but denies involvement with drug trafficking and other illegal activities. Writes the Wall Street Journal's Micah Morrison, "Three days after the 1996 presidential election, the CIA issued a brief report saying it had engaged in 'authorized and lawful activities' at the airfield, including 'routine aviation-related services' and a secret 'joint-training operation with another federal agency.' The agency said it was not 'associated with money laundering, narcotics trafficking, arms smuggling, or other illegal activities' at Mena."

Boris Yeltsin, as he will later recount in his memoirs, learns of Clinton's affair with Monica Lewinsky. He thinks Lewinsky is part of a GOP plot to bring Clinton down. Says Yeltsin: "Clinton's enemies planned to plant a young provocateur in his entourage who would spark a major scandal capable of ruining the president's reputation."

Years later, Yeltsin will be interviewed by Giles Whittell for the Times of London: "It seemed the moment to ask about a claim in the new book, *Midnight Diaries*, that Russian intelligence warned Yeltsin as early as 1996 that US Republican party activists intended to plant an attractive young woman in the Clinton White House to embarrass its most senior occupant. Did he know then that this woman would be Monica Lewinsky?" . . . 'I knew,' Yeltsin replied. . . . Why then did he not tell President Clinton, whom he famously referred to as 'Friend Bill?' . . . 'He had enough problems already,' Yeltsin said. 'But it was not only because of that. I decided not to mention it because I didn't fully believe it, and because we are very sensitive to such issues in Russia. I was also convinced that he would overcome the problem himself, which in the end he did.'"

The NY Post will take a less benign view, reporting that US intelligence was worried about "indications that the Russians were aware of Bill Clinton's affair with Monica Lewinsky well before the scandal broke" and that "the Russian SVR spy agency, successor to the KGB, may have intercepted Clinton's phone-sex conversations with her." If true, the Russians could have blackmailed Clinton beginning almost at the start of his second term.

The conservative British journal *Brookes News* later writes: "In her testimony for Ken Starr's grand jury, Lewinsky told of a curious comment of Clinton's after she performed her services: that he was worried about a 'foreign power listening in' to their activities and conversations. He was especially concerned about the many phone-sex conversations he had with her, calling her from the White House and Air Force One."



# 1997

Commerce Secretary Mickey Kantor says he is "stunned" to learn that some of the companies joining him on trade missions were DNC campaign contributors. He apparently has missed material sent out by the DNC, complete with letter from Bill Clinton, that promised donors of at least \$10,000 an invitation to "join Party leadership as they travel abroad to examine current and developing issues."

Hillary Clinton goes for her daily dose of photographic self-aggrandizement - at the pediatrics ward of the Georgetown University Medical Center. She is to be pictured reading to the kids. The problem: sick children don't look that cute, especially those who are bald from cancer treatments or fitted out with tubes and such. The solution: replace the sick children with well versions belonging to the hospital staff. It works beautifully.

Webster Hubbell is released after serving 15 months for mail fraud and tax evasion.

James McDougal gets a sharply reduced three year prison term for his role in the Madison Guaranty bank case upon the recommendation of special counsel Kenneth Starr.

Former White House intern Mary Caitrin Mahoney is shot five times during the murder of three Starbucks employees in an execution-style slaying. No money is taken. Informant assisting police in case is murdered when sent by DC police into a botched drug sting. The handling of the Starbucks murder case will continue to raise questions. Why, of all the 301 slayings that took place in DC that same year, did only these three killings attract the attention not only of the FBI but of Attorney General Reno herself? Reno overruled her own US Attorney and called for the death penalty in the case. Reno had intervened in only one other local case -- a gang leader accused of 14 deaths. Carl Derek Cooper will plead guilty to the crimes in April 2000 after being threatened with the death penalty by Reno.

Foutanga Dit Babani Sissoko, a West African multi-millionaire, tries to get released from jail on bribery and smuggling charges by showing the judge a dinner invitation he received to dine with the president at a Washington hotel. The judge does not release Sissoko, however, and sets bail at \$20 million. This is a South Florida record.

LD Brown, a former Arkansas state trooper who worked on Clinton's security details, claims he was approached on a bus in England and offered \$100,000 and a job to change his Whitewater testimony. A second offer was allegedly made in Little Rock.

Gennifer Flowers reports that after her revelations she had received death threats and that her house was ransacked.

Two Armed Forces medical examiners confirm that Ron Brown had a perfectly circular hole in his head that looked like a gun wound. Army Lt. Col. David Hause was working two tables away from the one at Dover Air Force Base where Brown was being examined when a "commotion" erupted and someone said, "Gee, this looks like a gunshot wound." Hause remembers saying, "Sure enough, it looks like a gunshot wound to me, too." No autopsy or investigation followed.

A federal grand jury finds state prosecutor Dan Harmon guilty of drug dealing and extortion. He is sentenced to eight years in prison.

Jim McDougal says, "Hubbell knows where the bodies are buried."

Over the strenuous opposition of Kenneth Starr, the Whitewater supervising judges unanimously allow a 20-page exception by a key witness to the prosecutor's report on Vince Foster to be included as part of the official filing. Seven times Starr tries to get the statement of Patrick Knowlton rejected but the judges let it stand -- despite the fact that it directly contradicts Starr and his staff on key points. Starr declares that Foster committed suicide.

Independent prosecutor Dan Smaltz and FBI agents grill a former Tyson food pilot for three days. The pilot claims to have carried cash in envelopes from Tyson Food to the Arkansas governor's mansion. Says Smaltz later to Time magazine, "I nearly fell off my chair when I heard Joe make the allegation. I took over the questions." Janet Reno, however, blocks Smaltz from pursuing the issue.

Monica Lewinsky speaks to Linda Tripp about telling Clinton that she wants to break up with him:

TRIPP: Well, let me put it to you this way. By hanging up and saying you're telling your parents and then hanging up the phone, you're saying a whole hell of a lot more than you could ever do in a 20 minute conversation.

LEWINSKY: I know (tape skip) (inaudible) my mom will kill me if I don't tell him - make it clear at some point that I'm not going to hurt him, because - see, my mom's big fear is that he's going to send somebody out to kill me.

TRIPP: Oh, my God. Oh, my God.

LEWINSKY: So --

TRIPP: Shut up.

LEWINSKY: Well, that's what she thinks.

TRIPP: Oh, my God. Don't even say such an asinine thing. He's not that stupid. He's an arrogant....but he's not that stupid.

LEWINSKY: Well, you know, accidents happen.

A reporter finds Charlie Trie in China where he says he's going to stay rather than returning to the US to face the music. Trie says, "I'm not hiding. I want to stay alive."

Fox's Carl Cameron reveals that FBI surveillance observed Charlie Trie's employees destroying evidence in the campaign fundraising investigation. On the eve of Senate hearings into campaign finance abuse, the Justice Department pulled back on the warrants and the search of Trie's office leaving frustrated FBI agents to watch as more documents were destroyed.

White House aide Cheryl Mills admits to the House Government Reform and Oversight Committee that she and White House Counsel Jack Quinn have withheld documents from investigators for 15 months, including a memo suggesting Clinton wanted the \$1.7 million White House Office Data Base shared with the DNC. Several years later she will again testify about missing documents (in this case, e-mails) and when asked about them states: "[Your investigations will not] feed one person, give shelter to someone who is homeless, educate one child, provide health care for one family or offer justice to one African-American or Hispanic juvenile . . . You could spend your time making the lives of the individuals you serve better, as opposed to tearing down the staff of a president with whose vision and policies you disagree." On Today, Pete Williams spoke of "A devotion that led her to conclude her defense with an emotional tribute to the President as a champion of civil rights." Said Newsweek: "A star is born."

The Supreme Court unanimously rules that Paula Jones's sexual harassment suit against President Clinton may proceed even though he is in office.

Mike Espy's chief of staff, Ronald Blackley, is convicted of lying to investigators about receiving funds from those who had dealing with the Agriculture Department.

In a 1997 story, Don Van Natta Jr. of the NY Times reports, "Jorge Cabrera, a drug smuggler who has emerged as one of the most notorious supporters of President Clinton's re-election campaign, was asked for a campaign contribution in the unlikely locale of a hotel in Havana by a prominent Democratic fund-raiser, congressional investigators have learned. . . On his return to the United States several days after that meeting, in November 1995, Cabrera wrote a check for \$20,000 to the Democratic National Committee from an account that included the proceeds from smuggling cocaine from Colombia to the United States, said the investigators, who spoke on condition of anonymity.

"Within two weeks of the contribution, Cabrera met Gore at the dinner in Miami. Ten days later, Cabrera attended a Christmas reception at the White House hosted by Hillary Rodham Clinton. At the events, Gore and Mrs. Clinton posed for photographs with Cabrera, who has two felony convictions dating from the 1980s and is now in a prison here on a drug-smuggling conviction. . .

"A Cuban-born American, Cabrera was arrested two times on serious drug charges in the 1980s. Both times he pleaded guilty to nondrug felony charges. In 1983, he pleaded guilty to obstruction of justice for conspiring to bribe a grand jury witness and served 42 months in prison. In 1988, he pleaded guilty to filing a false income-tax return and served one year in prison. After his brief brush with presidential politics, Cabrera was arrested in January 1996 inside a cigar warehouse near here in Dade County, where more than 500 pounds of cocaine had been hidden. He and several accomplices were charged with having smuggled 3,000 pounds of cocaine into the United States through the Keys. . . In January, Cabrera received an invitation to Clinton's inauguration."

## 1998

Jim McDougal tells reporter Chris Ruddy that in all his conversations with the special prosecutors he was never asked about Vince Foster.

Jim McDougal, who once said that the Clintons move through people's lives like a tornado, dies after being placed in solitary confinement again. On 12 medications. There are questions about other drugs given, including Lasix, which is contraindicated for heart patients. In the hours before McDougal died he had complained of dizziness and became ill but was never seen by a doctor. He had also been separated from his heart medication when placed in an isolation cell before his death. An autopsy on McDougal finds "a toxic but non-lethal amount" of Prozac in his body according to the Fort Worth Star-Telegram. The medical examiner declares the death unrelated to the amount of Prozac, which was three times the normal dosage.

Shortly before he dies, McDougal completes a book with Curtis Wilkie, staff writer for the Boston Globe. The NY Times writes of the book, "Moments after President Clinton gave videotaped testimony for the criminal trial of James and Susan McDougal, his former Whitewater partners, he privately agreed to give Mrs. McDougal a pardon if she was convicted, a new book by James McDougal says. 'I'm willing to stick with it, but if it doesn't work out, or whatever, can you pardon Susan?' McDougal recalled asking Clinton - shortly after the president had completed his testimony - in the Map Room at the White House two years ago.

'You can depend on that,' Clinton is said to have replied quietly in the private conversation, apparently out of earshot of others. McDougal then asked, 'Like I say with all lawyers, I mean promptly?' The president grinned and nodded, by McDougal's account, and said, 'If you hang with me, I'll do it.'

Curiously, the medical examiner made no mention of having found traces of any of the 12 medications McDougal was taking. There was also a report from an inmate that McDougal had been given Lasix to encourage urination. Lasix must be taken with a potassium supplement -- without it serious heart problems can develop. Wesley Phelan of the Washington Weekly reports that Lasix can cause "excessive diuresis, blood volume reduction, circulatory collapse, and vascular thrombosis." Further, if McDougal was on the heart medication digitalis, the use of Lasix would be even more serious. The ME would not confirm to Phelan whether he had tested for the presence of Lasix.

Not long thereafter, another potential witness in the Clinton scandals investigation dies suddenly. Johnny Franklin Lawhon Jr, 29, was the owner of the auto transmission shop in Mabelville, Arkansas, who discovered a \$27,000 cashier's check made out to Bill Clinton in a trunk of a tornado-damaged car. Lawhon strikes a tree in the early hours of March 30 after, according to one witness, "taking off like a shot" from a filling station.

The Lewinsky affair story breaks in the Washington Post. President Clinton appears on television and says that he "never had sexual relations with that woman, Miss Lewinsky," and that he "never told anyone to lie."

Jorge Cabrera -- the drug dealer who gave enough to the Democrats to have his picture take with both Hillary Clinton and Al Gore -- is back in the news as a businessman pleads guilty to laundering \$3.5 million for Cabrera between 1986 and 1996

Hillary Clinton goes on the Today Show and blames her husband's problems on a "vast right wing conspiracy."

National Journal - In 1998, the Clinton administration poll tested the idea of making college students pee in cups to prove they're not on drugs in order to qualify for financial aid, according to papers released by the Clinton Library. While the collect-student-pee idea was never implemented, Clinton did sign the Higher Education Act reauthorization into law in 1998. The legislation included a measure stripping aid from more than 200,000 students convicted for drug offenses, something drug reformers have come to refer to as the "smoke a joint, lose your federal aid" provision. The provision has since been scaled back, though never fully repealed.

George Stephanopoulos tells ABC This Week that the White House has a "different, long-term strategy, which I think would be far more explosive. White House allies are already starting to whisper about what I'll call the Ellen Rometsch strategy . . . She was a girlfriend of John F. Kennedy, who also happened to be an East German spy. And Robert Kennedy was charged with getting her out of the country and also getting J. Edgar Hoover to go up to the Congress and say, 'Don't you investigate this, because if you do, we're going to open up everybody's closets.'" . . . Asks Sam Donaldson, "Are you suggesting for a moment that what they're beginning to say is that if you investigate this too much, we'll put all your dirty linen right on the table? Every member of the Senate? Every member of the press corps?" "Absolutely," says Stephanopoulos. "The president said he would never resign, and I think some around him are willing to take everybody down with him."

Democratic fund-raiser Johnny Chung wins a plea bargain under which he is charged with funneling illegal contributions to the Clinton-Gore campaign.

Linda Tripp is sequestered in an FBI safe house because of threats against her life.

Arkansas Highway Police seize \$3.1 million in cash from four suitcases in a tractor-trailer rig's sleeper section. The driver is charged with money laundering among other things. The seizure is the fourth largest in American history and nearly fifty times more than all the illegal money seized by Arkansas highway police in a typical year.

Monica Lewinsky tells Linda Tripp that if she would lie under oath, "I would write you a check. " Also: "I mean, telling the truth could get you in trouble. I don't know why you'd want to do that." Also: "I would not cross these -- these people -- for fear of my life." Several reports have Lewinsky saying on another occasion that she didn't want to end up like former White House intern Mary Caitrin Mahoney, killed in the Starbucks execution-style murders.

Monica Lewinsky talks with Linda Tripp about filing a false affidavit in the Paula Jones case:

TRIPP: You - you are - are you positive in your heart that you want to do that? I mean -

LEWINSKY: Uh-huh.

TRIPP: I'm only saying - I'm only saying that in case you should change your mind.

LEWINSKY: No. I - I - I - first of all, for fear of my life. I would not - I would not cross these - these people for fear of my life, number one.

The sale of Arkansas prisoners' blood during the 1980s becomes a major scandal in Canada as news of it is published. The story is ignored in the US media.

Prior to her testimony in the Clinton investigation, Kathleen Willey claims that the tires on her car were mysteriously punctured with dozens of nails and the cat she had for many years suddenly disappeared. Reports ABC's Jackie Judd, "Then just days before she testified in the Paula Jones lawsuit in early January, Willey was out jogging near her home when a stranger approached her. . . The man knew what had happened at her home and that he asked her if the tires had been fixed and if the cat had been found." The man then allegedly asked Willey, 'Don't you get the message?' and jogged off."

Department of Justice announcement: "James Tjahaja Riady will pay a record \$8.6 million in criminal fines and plead guilty to a felony charge of conspiring to defraud the United States by unlawfully reimbursing campaign donors with foreign corporate funds in violation of federal election law, the Justice Department's Campaign Financing Task Force and the United States Attorney in Los Angeles announced today. In addition, LippoBank California, a California state-chartered bank affiliated with Lippo Group, will plead guilty to 86 misdemeanor counts charging its agents, Riady and John Huang, with making illegal foreign campaign contributions from 1988 through 1994. Riady is one of 26 people and two corporations charged by the Campaign Financing Task Force, which was established four years ago by Attorney General Janet Reno to investigate allegations of campaign financing abuses in the 1996 election cycle. . . The \$8.6 million fine represents the largest sanction imposed in a campaign finance matter in the history of the United States . . . During the period of August 1992 through October 1992, shortly after Riady pledged \$1 million in support of Arkansas Governor Bill Clinton's campaign for the Presidency of the United States, contributions made by Huang were reimbursed with funds wired from a foreign Lippo Group entity into an account Riady maintained at Lippo Bank and then distributed to Huang in cash. . . The purpose of the contributions was to obtain various benefits from various campaign committees and candidates for Lippo Group and LippoBank, including: access, meetings, and time with politicians, elected officials, and other high-level government officials; contacts and status for Lippo Group and LippoBank with business and government leaders in the United States and abroad; business opportunities for Lippo Group and defendant LippoBank; government policies which would inure to the benefit of Lippo Group and defendant LippoBank, including Most Favored Nation status for China, open trade policies with Indonesia, normalization of relations with Vietnam, Community Reinvestment Act exemptions for LippoBank, a repeal of the Glass-Steagall Act which limited business opportunities for LippoBank, and a relaxation of Taiwanese restrictions on investment by foreign banks; the deposit of funds into LippoBank by political campaign committees and government agencies; and local government support for Lippo Group's California property development projects which would in turn benefit LippoBank's plans for expansion."

Dr. Cyril Wecht, who has done more than 13,000 autopsies, says there is "more than enough" evidence to suggest possible homicide in the Ron Brown death and that an autopsy should have been performed: "It is not even arguable in the field of medical legal investigations whether an autopsy should have been conducted on Brown."

FBI Director Louis Freeh appears before Rep. Dan Burton's committee and this exchange takes place:

BURTON: Mr. Freeh, over 65 people have invoked the 5th Amendment or fled the country in the course of the committee's [Clinton scandals] investigation. Have you ever experienced so many unavailable witnesses in any matter in which you've prosecuted or in which you've been involved?

FREEH: Actually, I have.

BURTON: You have? Give me, give me a rundown on that real quickly.

FREEH: I spent about 16 years doing organized crime cases in New York City and many people were frequently unavailable.

Former state trooper Larry Patterson will testify in the Paula Jones case:

Larry Patterson: [Governor Clinton] said, "I've got someone I need to see." I said "Okay, "Where are going?" He said "To Booker Elementary School. . . [Chelsea attended Booker] So we went to Booker Elementary School and he said, "I've a friend waiting down here, Larry and I'd like to spend some time alone with her." . . This particular lady was driving a small red compact car. it was parked beside the school underneath a streetlight. . . I was out of the car smoking, could see the action going on. Two Little Rock city policemen pulled up, said, "What are you doing here?" I I.D.'d myself. I said, "I've a friend that's meeting a married lady down here, and they'd like some privacy. The Little Rock city policeman on the passenger side said, "If the school gets burglarized, I hope you can cover this. . . I said, "Yeah I can cover this. No problem."

Q: You said that the woman's car was under a streetlight and you could see what was going on?

Mr. Patterson: Yes, Sir.

Q: What was going on? What did you see?

Mr. Patterson: I saw Bill Clinton on the passenger side of the front seat. I was the woman get into the driver's side. I saw her head disappear into what looked like his lap. . . .

The criminal investigation into the Clinton scandals is set back as a lower court judge throws out on technical grounds major new charges against Whitewater figure Webster Hubbell. Hubbell had gone to jail after pleading guilty to tax evasion and mail fraud involving the theft of nearly a half million dollars from the law firm and \$143,000 in unpaid taxes. Hubbell, as part of the plea, is supposed to cooperate with the independent counsel. There will be no evidence that he does.

Yu Quanyu, director of the Chinese Academy of Social Studies, writes in the latest issue of Ideological and Political Work Studies: "Communist Party cadres should study the speeches of Hillary Clinton because she offers a very good example of the skills of propaganda. Her sentences are short and stimulating. That's why she gets a lot of applause. But Chinese people have a habit of giving long speeches in which the sentences are long and tedious."

The Washington Times reports that in the portions of President Clinton's deposition that have been made public in the Paula Jones case, his memory failed him 267 times. This is a list of his answers and how many times he gave each one.

I don't remember - 71

I don't know - 62

I'm not sure - 17

I have no idea - 10  
I don't believe so - 9  
I don't recall - 8  
I don't think so - 8  
I don't have any specific recollection - 6  
I have no recollection - 4  
Not to my knowledge - 4  
I just don't remember - 4  
I don't believe - 4  
I have no specific recollection - 3  
I might have - 3  
I don't have any recollection of that - 2  
I don't have a specific memory - 2  
I don't have any memory of that - 2  
I just can't say - 2  
I have no direct knowledge of that - 2  
I don't have any idea - 2  
Not that I recall - 2  
I don't believe I did - 2  
I can't remember - 2  
I can't say - 2  
I do not remember doing so - 2  
Not that I remember - 2  
I'm not aware - 1  
I honestly don't know - 1  
I don't believe that I did - 1  
I'm fairly sure - 1  
I have no other recollection - 1  
I'm not positive - 1  
I certainly don't think so - 1  
I don't really remember - 1  
I would have no way of remembering that - 1  
That's what I believe happened - 1  
To my knowledge, no - 1  
To the best of my knowledge - 1  
To the best of my memory - 1  
I honestly don't recall - 1  
I honestly don't remember - 1  
That's all I know - 1  
I don't have an independent recollection of that - 1  
I don't actually have an independent memory of that - 1  
As far as I know - 1  
I don't believe I ever did that - 1  
That's all I know about that - 1  
I'm just not sure - 1  
Nothing that I remember - 1  
I simply don't know - 1  
I would have no idea - 1  
I don't know anything about that - 1  
I don't have any direct knowledge of that - 1  
I just don't know - 1  
I really don't know - 1  
I can't deny that, I just -- I have no memory of that at all - 1

Monica Lewinsky talks with Linda Tripp about filing a false affidavit in the Paula Jones case:

TRIPP: You - you are - are you positive in your heart that you want to do that? I mean -

LEWINSKY: Uh-huh.

TRIPP: I'm only saying - I'm only saying that in case you should change your mind.

LEWINSKY: No. I - I - I - first of all, for fear of my life. I would not - I would not cross these - these people for fear of my life, number one.

Wagging the dog:

- Election eve 1996: US jets fire on Iraqi radar sites
- January 26, 1998: President goes on TV to deny Lewinsky affair; sends top officials on tour to build support for attack on Iraq. Warns Hussein not to "defy the will of the world."
- June 30, 1998: Judge Suzan Webber Wright orders unsealing of Clinton's Jones case deposition; US jets fire on Iraqi radar sites.
- August 20, 1998: Monica Lewinsky appears before grand jury; Clinton attacks alleged terrorist centers in Sudan and Afghanistan.
- November 13, 1998: Clinton settles Paula Jones suit for \$850,000; Clinton orders, then aborts, massive missile attack on Iraq.
- Impeachment eve 1998: Clinton launches massive missile attack on Iraq.

The Washington Times calculates that the number of Kenneth Starr-like investigations that could have been carried out for the price of one day's assault on Baghdad by Tomahawk missiles: 7

The Defense Technology Security Administration reports that Loral's unauthorized release of sensitive technology to the Chinese gave rise to at least three "major" violations of US national security, three medium violations and twelve "minor" infractions.

Federal Judge Susan Webber Wright of Arkansas dismisses Paula Jones' suit against Bill Clinton, ruling that Jones had not suffered harm.

Kenneth Starr sends his report to Congress. Impeachment hearings begin. The House will approve two articles of impeachment.

During the impeachment trial the following statements were made:

Sen. Barbara Boxer: "Rejecting these articles of impeachment does not place this President above the law. As the Constitution clearly says, he remains subject to the laws of the land just like any other citizen of the United States."

Sen. Herbert Kohl: "President Clinton is not 'above the law.' His conduct should not be excused, nor will it. The President can be criminally prosecuted, especially once he leaves office. In other words, his acts may not be 'removable' wrongs, but they could be 'convictable' crimes."

Sen. Joseph Lieberman: "Whether any of his conduct constitutes a criminal offense such as perjury or obstruction of justice is not for me to decide. That, appropriately, should and must be left to the criminal justice system, which will uphold the rule of law in President Clinton's case as it would for any other American."

Sen. Richard Bryan: "For those who believe that the President is guilty of perjury and obstruction of justice -- criminal offenses -- there is a forum available for that determination."



Sen. Frank Lautenberg: "[The] legal system, our civil and criminal laws provide the proper venue for a President who has failed in his private character. . . . And in this case, the legal system can and will continue to address the President's personal transgressions."

Sen. Kent Conrad: "Offensive as they were, the President's actions have nothing to do with his official duties, nor do they constitute the most serious of private crimes. In my judgment, these are matters best left to the criminal justice system."

Sen. John Breaux: "For wrongful acts that are not connected with the official capacity and duties of the President of the United States, there are other ways to handle it. There is the judicial system. There is the court system. There are the U.S. attorneys out there waiting. There may even be the Office of Independent Counsel, which will still be there after all of this is finished."

It is announced that there will be no criminal indictment of Clinton for the offenses outlined in the impeachment.

After only four months of a two-year fraud sentence and after serving 18 months for refusing to talk to a grand jury about Bill Clinton, Susan McDougal is released by a federal judge for medical reasons.

Clinton settles with Paula Jones, paying her \$850,000 but not apologizing.

Webster Hubbell is indicted again over the Castle Grande land scheme. Hillary Clinton is named in the indictment as the Rose Law firm "billing partner."

On April 27, 1998, deputy independent counsel Hickman Ewing meets with his prosecutors to decide on whether to indict Hillary Clinton. Here's what happened as reported by Sue Schmidt and Michael Weisskopf in their book, "Truth at Any Cost:"

"[Ewing] paced the room for more than three hours, recalling facts from memory in his distinctive Memphis twang. He spoke passionately, laying out a case that the first lady had obstructed government investigators and made false statements about her legal work for McDougal's S & L, particularly the thrift's notorious multimillion-dollar Castle Grande real estate project. . . The biggest problem was the death a month earlier of Jim McDougal. . . Without him, prosecutors would have a hard time describing the S & L dealings they suspected Hillary Clinton had lied about."

CNN- Deputy independent counsel Hickman Ewing testified at the Susan McDougal trial Thursday that he had written a "rough draft indictment" of first lady Hillary Rodham Clinton after he doubted her truthfulness in a deposition. Ewing, who questioned Mrs. Clinton in a deposition at the White House on April 22, 1995, said, "I had questions about whether what she was saying were accurate. We had no records. She was in conflict with a number of interviews."

Ewing said those interviews by investigators were primarily with other people in the Rose Law Firm. Ewing said he had questioned Mrs. Clinton about her representation of Jim McDougal's Madison Guarantee Savings & Loan when she was at the Rose Law firm in Little Rock. "I don't know if she was telling the truth. I did not circulate the draft. I showed it to one lawyer (in the independent counsel's office) who said he didn't want to see it," Ewing said, under questioning from McDougal attorney Mark Geragos. . .

Ewing also testified that in a later deposition with both the president and first lady on July 22, 1995, he had questions about the truthfulness of both Clintons. McDougal's attorney Mark Geragos asked Ewing: "Did you say the Clintons were liars?" "I don't know if I used the 'L-word' but I expressed internally that I was concerned," Ewing said.

# 1999

FBI agents arrest an unidentified suspect in connection with an attempt to kill key Chinagate witness Johnny Chung. Chung claims that a lone gunman showed up at his Los Angeles office after attempting to arrange a meeting over the phone.

Neal Travis of the New York Post reports that, according to a new book on the Mossad, Israel blackmailed President Clinton with 30 hours of tapes of his phone sex talks with Monica Lewinsky. The agency allegedly agreed not to release the material in return for Clinton calling off an FBI hunt for a top-level Israeli mole supposedly in the White House. The allegation appears in "Gideon's Spies - The Secret History of the Mossad," written by Gordon Thomas. Lewinsky testified under oath that after a session of heavy petting and oral sex in the White House, Clinton told her a foreign embassy was tapping the two phone lines in her DC apartment. She claims Clinton told her that if questioned they should say they knew their calls were being bugged and were only joking to fool the tappers. Kenneth Starr does not pursue the matter. Thomas tells the NYP: "So far as anyone knows, the Israeli agent MEGA - a much more important spy than the imprisoned CIA traitor Jonathan Pollard, and probably his controller - is still in place at the White House."

About 1000 Canadian hemophiliacs file a \$660 million class action suit in Toronto saying they got tainted blood from the Arkansas prison system during a period when Clinton was governor.

The New York Daily News quotes John Gotti as saying that Clinton got away with things a Mafia boss would never have gotten away with. In a conversation with his brother Peter, he is particularly struck with Clinton's taped conversation with Gennifer Flowers: "He's telling her, 'Why would you want to bring this out? If anybody investigates, you lie.' " Said Gotti, "If he had an Italian last name, they would've electrocuted him." Ironically, it was on the Gennifer Flowers tape that Clinton says that Mario Cuomo acted like a Mafioso.

The American Bar Association features felon Webster Hubbell at its national convention. Hubbell was sent to jail for overbilling his clients. The ABA also invites Clinton to speak. The invitation is announced the same week that a federal court judge imposes a \$90,000 fine on Clinton for having given "false, misleading and evasive answers that were designed to obstruct the judicial process." The judge took the action, "not only to redress the misconduct of the President in this case, but to deter others who might themselves consider emulating the President of the United States by engaging in misconduct that undermines the integrity of the judicial system." Clinton is also under consideration for disbarment in Arkansas

A former White House official invokes his Fifth Amendment rights 28 times in refusing to testify at a rancorous House committee hearing on campaign finance abuses during the 1996 presidential election. Mark Middleton, an Arkansas lawyer and longtime confidant of President Clinton, steadfastly refuses to answer questions by House Government Reform Committee Republicans on whether he conspired with government officials in China or elsewhere to illegally funnel contributions to the Democratic National Committee or the Clinton-Gore re-election campaign. At one point, a frustrated Rep. Bob Barr, Georgia Republican, asks Middleton if he was "a bag man" for Chinese government interests. The former White House official quietly replies, "I respectfully decline to answer the question."

In a startling interview with Terence Jeffrey of Human Events, former counsel to the House Judiciary Committee David Schippers - a Democrat from Chicago - charges that the Senate impeachment trial was rigged from the start. Here is an excerpt:

HUMAN EVENTS: What is the most significant thing that happened during the impeachment process that the country doesn't know about but should?

SCHIPPERS: I think the most important factor that the public should know that they don't know is that, before we ever appeared on the floor of the United States Senate, the House impeachment managers and I were told that there was no way we could win.

HUMAN EVENTS: Who told you that?

SCHIPPERS Six Republican senators. Members of the leadership.

HUMAN EVENTS: Members of the Republican leadership came over to you?

SCHIPPERS No, we were over there. We were discussing the kind of method by which we would try the case, and we, the managers and myself, were told, "Look we're just trying to keep you from embarrassing yourselves." I mean, this is after a vote of the House of Representatives impeaching the President.

In that same meeting one of the senators -- and because I do not know which one it was, I will not name any of the senators -- turned to Henry Hyde and he said, "Henry, I don't care. No way are you going to get 67 votes." This was before anything had occurred on the floor of the Senate.

And Henry Hyde said, "Well, you know Senator, we have other materials over there in that room that were furnished by Mr. Starr and I think that some of them may have to do with assaults or things like that. And the senator said, "Henry" -- this is a direct quote -- "I don't care if you have proof that he raped a woman, stood up and shot her dead, you're still not going to get 67 votes."

At that point I raised my hand and I said, "Senator, are you telling me I just watched a hundred senators raise their right hand to God and swear to do equal and impartial justice and that they will ignore that oath too?" And the senator said, "You're darn right they are."

From that moment on I knew that we were in a rigged ball game. In Chicago we'd refer to it as a First Ward election .... It was rigged to make it impossible for us to win. I don't know why they were so anxious to keep the American people from hearing the evidence. I just will never know.

Former Arkansas state trooper and Clinton bodyguard L.D. Brown charges in his new book 'Crossfire' that Alphonse D'Amato, after subjecting him to bear hugs, head locks, and other forms of gratuitous bonhomie at a large dinner party, asked, "L. D., that Mena thing, that was just a drug deal gone bad wasn't it?" Writes Brown, "I came away from that conversation thinking he was trying to convince me Mena was nothing but a drug operation. It reminded me of the strange Bush and Clinton connection all over again." Later, D'Amato said to Brown, "C'mon, L. D., let's go take a leak." Brown's lawyer and aide to the senator accompanied them on the trip to the men's room. Here's what happened next, according to Brown:

There were a couple of people in the rest room. While they finished their business, we also did what we ostensibly came there to do. But there was more business to do. The Senator's aide checked the stalls in the rest room to make sure they were vacant and then walked to the only door leading into the room. The Senator now grabbed me in the familiar headlock. ~~~ Justin [Brown's lawyer] looked around to see what was going on as the aide put his foot at the bottom of the door, thus placing an improvised locking mechanism on it. Then the Senator went for the kill.

While putting an extra squeeze on the headlock he said, "L. D., we got to have your help. We need you to cooperate with us." I could hear by now that people were banging on the door to get in the rest room. "We're fucking in here!" the aide yelled. D'Amato continued on, oblivious to the commotion as the aide struggled to keep the door shut. "Now L. D., we'll take care of you, we'll get you a job." With the cigar in his mouth and his arm around my neck, the Senator looked more like a character from a Mario Puzo novel making me 'an offer I couldn't refuse' than a United States Senator conducting an investigation on the President of the United States. I was shocked and I could tell Justin didn't want to be there either.

People outside obviously were about to wet their pants while this seemed to drag on forever. The aide was now vigorously struggling to keep the door shut while I had 'the arm' put on me. The Senator finally released his grip and I mumbled something about being concerned for my family as we finally walked out of the bathroom. The aide, clearly exhausted from his bathroom chores went back to the table with Justin and me while being led by the Senator. The party was about to break up and I was wishing I had never come. Justin and I rolled our eyes at each other at what had just happened. We knew it was improper at best to offer jobs to potential witnesses. It also disappointed me to no end to find yet another person in this entire Whitewater fiasco who wanted to use me.

Michael Espy is appointed a senior advisor to the Department of Energy. Columnist Paul Greenberg notes, "He seems to have passed this administration's high ethical test: he's been acquitted."

Whitewater criminal Susan McDougal is the keynote speaker at the Tulsa County OK Democratic Party's first Jefferson-Jackson Dinner.

Susan McDougal refuses to answer questions from a grand jury and is jailed for contempt. She will later be acquitted of obstruction of justice charges and freed of contempt charges by a hung jury.

A Democratic National Committee staffer writes DNC chair Don Fowler, "Johnny [Chung] committed to contribute \$75,000 to the DNC reception in Los Angeles on September 21. Tell him if he does not complete his commitment ASAP bad things will happen."

The Senate votes not to convict President Clinton of the impeachment charges. Clinton will tell Dan Rather on CBS that he does not regard impeachment as "some great badge of shame" but is "honored" to have had "the opportunity to defend the Constitution."

The Wall Street Journal reports a claim by Juanita Broaddrick that she was raped by Bill Clinton in 1978. Clinton's lawyers deny the charge.

Deputy special prosecutor Hickman Ewing reveals that a criminal indictment against Hillary Clinton concerning Whitewater had been prepared but never presented to a grand jury.

Hillary Clinton announces her intention to run for US Senator from New York

Federal judge Susan Wright holds Clinton in contempt for "intentionally false" statements under oath and "willful failure" to testify truthfully in the Paula Jones sexual harassment case. This is the only time a president has been found in contempt of court.

On November 1, Yah Lin "Charlie" Trie, is sentenced, after pleading guilty to a two-count information filed in Little Rock, Arkansas, to three years probation, four months home detention, 200 hours of community service, and a \$5,000 fine for violating federal campaign finance laws by making political contributions in someone else's name and by causing a false statement to be made the FEC.

On August 12, former Lippo Executive John Huang pleads guilty to a felony charge, filed in U.S. District Court in Los Angeles, that he conspired with other employees of the Indonesia-based Lippo Group to make campaign contributions and reimburse employees with corporate funds or with funds from Indonesia.

## 2000

According to John Haris' book on Clinton, Tipper Gore was so disgusted in 2000 with Bill and Hillary that she stayed cloistered in a holding room instead of going to a New York reception with major Democratic fund-raisers where the Clintons would be. "No, I'm not doing it," she snapped to an aide. "I'm not going out there with that man."

President Clinton declares "National Character Counts Week," issuing a proclamation that reads in part: "The character of our citizens has enriched every aspect of our national life and has set an example of civic responsibility for people around the world."

Juanita Broadrick, who accused Bill Clinton of having raped her, is being audited by the Internal Revenue Service. Among others involved with the president who have been audited: Elizabeth Ward Gracen; Billy Dale (fired in travel office affair); Fox News critic Bill O'Reilly; Kent Masterson Brown (brought lawsuit compelling Hillary's health care task force to reveal its members); and Paula Jones. Also: National Review, American Spectator, Christian Coalition, Citizens for a Sound Economy, Freedom Alliance, Heritage Foundation, National Rifle Association, Western Journalism Center, National Center for Public Policy Research, Fortress America and Citizens Against Government Waste.

A former Justice Department prosecutor testifies to Congress that he recommended an investigation into President Clinton's connection to a top Democratic fund-raiser involved in the sale of missile-related expertise to China. Attorney General Janet Reno rejected the proposal and one of Reno's top executives, Lee Radek, head of the department's public integrity section, called the recommendation "silly."

The Association of Trial Lawyers invites Clinton to speak. So does the American Association of Newspaper Editors

Former White House counsel Charles Ruff uses variants of "I don't know, I don't remember, I don't recall or I have no specific recollection..." 12 times within the first 30 minutes of questioning before a congressional committee investigating missing White House e-mails. This technique may have been foreshadowed in a 1997 interview Bob Woodward had with Ruff. Ruff told Woodward how Watergate may all look different to future congressional investigators, and if called to testify someday at such an inquiry, Ruff said he knows just what to do. "I'd say, 'Gee, I just don't remember what happened back then', and they won't be able to indict me for perjury and that, maybe, that's the principal thing that I've learned in four years....I just intend to rely on that failure of memory."

In FBI interviews, Vice President Al Gore changes his answers when confronted with documents in a fund-raising investigation, and suggests he may have missed a key discussion during a meeting because he drank too much iced tea. In one FBI interview, Gore says 23 times that he is unable to recall aspects of the Nov. 21, 1995 meeting and other fund-raising issues brought up by the FBI.

Arthur A. Coia, the former president of a labor union who has raised millions of dollars for Bill Clinton, Al Gore and the Democratic Party, pleads guilty to defrauding taxpayers in Rhode Island of nearly \$100,000 in taxes that were due on three Ferrari sports cars worth more than \$1.7 million. Coia gets two years probation and a \$10,000 fine.

Independent Counsel Robert Ray's final report on the White House travel office case finds first lady Hillary Rodham Clinton's testimony in the matter was "factually false," but concluded there were no grounds to prosecute her. The special prosecutor determined the first lady did play a role in the 1993 dismissal of the travel office's staff, contrary

to her testimony in the matter. But Ray said he would not prosecute Clinton for those false statements because "the evidence was insufficient to prove beyond a reasonable doubt" that she knew her statements were false or understood that they may have prompted the firings. . . The final report concludes that "despite that falsity, no prosecution of Mrs. Clinton is warranted."

Special prosecutor Ray says there is insufficient evidence to bring criminal charges against the Clintons. Ray criticizes the White House for what he called "substantial resistance" to providing "relevant evidence" to his investigators. "The White House asserted unfounded privileges that were later rejected in court," Ray said. "White House officials also conducted inadequate searches for documents and failed to make timely production of documents, including relevant e-mails."

## 2001

President Clinton makes a deal with special prosecutor Robert Ray under which he admits that he made false statements in the Monica Lewinsky case and surrenders his law license for five years.

A few hours before leaving office, President Clinton issues 140 pardons including to friends including Susan McDougal.

## 2002

Special prosecutor Ray issues his final report in which he claims he had enough evidence to indict Clinton for perjury and obstruction of justice and obtain a conviction in the Lewinsky case. but he declines to do so. FBI agent IC Smith summarizes in his memoir, "He concluded Clinton had been punished in other ways, citing the \$850,000 paid to settle the Paula Jones sexual harassment lawsuit, his contempt of court citation, the fines of \$25,000 and \$90,000 in attorney fees he had to reimburse in that case. Further, he cited the final fine of \$25,000 and suspension of Clinton's law license in Arkansas. He may have cited those as examples of how Clinton had been punished, but if there was any punishment, it wasn't thanks to the independent counsel. It's interesting the the most significant punishment in the whole saga was meted out by two female natives of Arkansas."

## 2005

**JOSEPH FARRAH, WORLDNET DAILY, 2005** - A significant portion of the [Clinton's] Shadow Team's operations were carried out by private investigators, among them: Terry Lenzner, founder and chairman of the powerful Washington, D.C., detective firm Investigative Group International; high-ticket San Francisco private eye Jack Palladino and his wife Sandra Sutherland; and Hollywood sleuth Anthony J. Pellicano. . .Hillary's secret police tend to be a tight-lipped bunch, professionally skilled at keeping a low profile. However, we know more about Anthony "The Pelican" Pellicano than about most Hillary operatives, thanks to his boastfulness and taste for the limelight. Pellicano's violent career as a private investigator reveals much about the sorts of qualifications Hillary sought in her Shadow Team.

In the January 1992 issue of GQ magazine, Pellicano boasted of the dirty work he had performed for his clients, including blackmail and physical assault. He claimed to have beaten one of his client's enemies with a baseball bat. "I'm an expert with a knife," said Pellicano. "I can shred your face with a knife." FBI agents raided Pellicano's West Hollywood office on Nov. 22, 2002, and arrested him on federal weapons charges. In his office, they found gold,

jewelry, and about \$200,000 in cash - most of it bundled in \$10,000 wrappers - thousands of pages of transcripts of illegal wiretaps; two handguns; and various explosive devices stored in safes, including two live hand grenades and a pile of C4 plastic explosive, complete with blasting cap and detonation cord.

## 2008

Hillary Clinton's private eye, Anthony Pellicano is sentenced to 15 years in prison after being convicted, reported the Washington Post, "of conspiring to run a criminal enterprise that employed illegal wiretaps to dig up dirt on the rich and famous on behalf of his elite Hollywood clients."

### ***FOR THE FURTHER ADVENTURES OF BILL AND HILLARY CLINTON***

#### **BILL CLINTON** **HILLARY CLINTON**

Among the public sources for this article were *Partners in Power* by Roger Morris; *The Secret Life of Bill Clinton* by Ambrose Evans Pritchard; *Unlimited Access* by Gary Aldrich and *Shadows of Hope* by Sam Smith. Also various newspaper and magazine articles, particularly in the *Arkansas Democrat Gazette*, *Washington Times*, *New York Times*, *Washington Post*, *London Telegraph*, *Times of London*, *Wall Street Journal*, *LA Times*, *American Spectator*, *Washington Weekly*, *Insight*, as well as the Internet service *Free Republic*, the *Clinton Administration Scandals* bulletin board, and the columns of Alexander Cockburn and Christopher Ruddy.

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