

**VOLUME IV  
DEPARTMENTS & AGENCIES**

**TABLE OF CONTENTS**

**PAGE**

**Part F  
The Department of Justice's Handling of the  
RTC Criminal Referrals and the Contacts Between the  
White House and the Department of the Treasury**

**Chapter 1:  
DOJ Handling of the RTC Referrals**

I.	INTRODUCTION .....	1
II.	FINDINGS .....	1
III.	FACTUAL SUMMARY .....	2
A.	Handling of Criminal Referral No. C-0004 before Election Day, November 3, 1992.....	2
1.	Early Notification to FBI-Little Rock about C-0004 .....	2
2.	RTC Criminal Referral C-0004 Arrives in Little Rock .....	5
3.	USAO-EDAR's Early Handling.....	8
4.	The September 23, 1992 Meeting in Little Rock.....	13
5.	Early Action by Officials at Main Justice.....	15
6.	A Discrete Search is Conducted by Officials at Main Justice.....	16
7.	FBIHQ's Efforts to Track Down the Referral .....	20
8.	The October 7, 1992 Teletype to FBIHQ from FBI-Little Rock .....	24
9.	FBIHQ Told Officials at Main Justice of C-0004 .....	26
10.	USAO-EDAR Officially Notifies Officials at Main Justice about C-0004.....	27

11.	The October 7, 1992 "Urgent Report" .....	29
12.	The October 8, 1992 Meeting at Main Justice .....	31
13.	Mueller Sent a Copy of the Referral to Keeney.....	34
14.	The October 9, 1992 Teletype to FBI-Little Rock from FBIHQ.....	35
15.	Little Rock Reacted to the October 9, 1992 Teletype.....	38
16.	The Irons/Hall Review of the Referral and its Exhibits.....	39
17.	The October 14, 1992 Follow-Up Meeting with Banks .....	41
18.	The October 16, 1992 Teletype from FBI-Little Rock to FBIHQ.....	44
19.	FBIHQ Received the October 16 Teletype.....	46
20.	FBIHQ Transmitted a Copy of the October 16 Teletype to Main Justice .....	47
21.	Banks's October 16, 1992 Letter.....	48
22.	Main Justice Received Banks's October 16 Letter.....	51
23.	Mueller's October 23, 1992 Note to Keeney.....	52
24.	The Period between October 23 and the Election.....	52
B.	Post-Election Handling of the Referral.....	53
1.	The Referral's Status in USAO-EDAR from November 3, 1992 to January 27, 1993 .....	53
2.	Main Justice's Posture on the Referral from November 3, 1992 to January 27, 1993 .....	55
3.	Banks's January 27, 1993 Recusal Letter.....	56
4.	Banks Spoke with His Successor about C-0004.....	58
C.	Main Justice's Handling of Banks's Recusal Request.....	59
1.	Initial Handling of Banks's Recusal Request.....	59
2.	Handling of the Recusal Request by the Fraud Section.....	60

3.	MacDougall's February 23, 1993 Memorandum .....	61
4.	DOJ's March 19, 1993 Memorandum.....	65
5.	The Transmission of the March 19 Memo.....	68
D.	The David Hale Matter Revived Little Rock's Interest in Madison Guaranty, and DOJ Sent the Referral Back to USAO-EDAR .....	70
1.	Brief Background.....	70
2.	The RTC Asked USAO-EDAR about the Status of C-0004 .....	71
3.	The RTC Contacted the EOUSA .....	72
E.	Back to Little Rock: The Declination of C-0004; the New Referrals and Casey's Recusal .....	76
1.	Pence and C-0004 .....	76
2.	Paula Casey Was Appointed USA-EDAR.....	77
3.	Pence Told Casey about the Referral.....	78
4.	Casey Reviewed C-0004.....	78
5.	Casey Met with Hale's Attorney .....	81
6.	The Recusal Issue Surfaced in Correspondence with Coleman .....	82
7.	Main Justice Learned of Hale's Allegations .....	84
8.	Keeney Urged Casey to Recuse.....	86
9.	Casey's September 24 Meeting with FBI Little Rock Field Office .....	89
10.	The New Referrals Reach Little Rock .....	92
11.	Casey Declined C-0004 .....	93
12.	Casey Recused Herself from the New Referrals.....	98
F.	Back to Main Justice.....	106
	The Mackay Team Took Over .....	106
IV.	ANALYSIS.....	113

V.	SUMMARY CONCLUSION .....	115
----	--------------------------	-----

**Chapter 2:  
White House Treasury Contacts**

I.	INTRODUCTION .....	117
II.	FINDINGS .....	117
III.	FACTUAL SUMMARY .....	118
A.	Treasury Department Officials Had No Significant Contact with White House Officials Relating to the First Criminal Referral before September 1993 .....	118
B.	Treasury Department Officials Conferred with White House Officials after the Issuance of Nine Additional Criminal Referrals about Madison and the Clintons in September 1993 .....	121
C.	Treasury Officials Met with White House Officials about the Referrals .....	124
1.	Jean Hanson First Met with Bernard Nussbaum about the Referrals September 29, 1993 .....	124
2.	Bruce Lindsey Was Briefed on the Referrals .....	125
3.	Clifford Sloan Discussed the September 29 Meeting with Neil Eggleston .....	126
4.	The RTC Received Press Inquiries about the Referrals .....	127
5.	Jean Hanson Had a Conversation with Clifford Sloan on September 30 .....	129
6.	Clifford Sloan Briefed Bernard Nussbaum and Bruce Lindsey .....	131
7.	Bruce Lindsey Briefed the President about the Referrals .....	131
8.	The President Met with Governor Tucker at the White House on October 6 .....	133
9.	William Roelle Told Roger Altman of Further Press Activity in Kansas City .....	133
10.	Jean Hanson Called Clifford Sloan on October 7, 1993 .....	135

11.	Sloan Briefed Nussbaum about the October 7 Hanson Telephone Call .....	136
12.	Jeff Gerth Contacted Jack DeVore about the Referrals .....	137
13.	Jack DeVore Looked into the Referrals .....	138
14.	On October 14, 1993, Treasury Officials Met with White House Officials to Discuss the Referrals .....	139
	a. Clifford Sloan.....	140
	b. Bernard Nussbaum.....	140
	c. Neil Eggleston.....	141
	d. Bruce Lindsey .....	142
	e. Mark Gearan .....	144
	f. Jean Hanson .....	145
	g. Jack DeVore.....	146
	h. Joshua Steiner .....	147
15.	Jean Hanson Allegedly Received a Copy of the Professional Liability Section ("PLS") Referral Analysis .....	148
16.	The Press Publicly Reported on the Referrals .....	151
17.	White House Lawyers Met with President Clinton's Personal Lawyers on November 5, 1993 .....	151
D.	White House Officials Sought Ways to Defuse Concerns as Public Scrutiny Increased.....	154
	1. Public Scrutiny of the Madison Failure Increased in Fall 1993.....	154
	2. The Enactment of the RTC Completion Act Raised Questions about the RTC's Approach to Resolving Civil Claims Over Madison Guaranty .....	156
	3. The President Spoke to Comptroller of the Currency Eugene Ludwig about Madison Guaranty/Whitewater.....	156
	4. The Whitewater Response Team Was Formed in the White House .....	158

5.	Roger Altman's Diary Reflected Anxiety at the White House about Whitewater in January 1994 .....	162
6.	Treasury Secretary Lloyd Bentsen Met with George Stephanopoulos about Whitewater .....	163
7.	Jean Hanson Met with RTC Officials about Madison Guaranty after Republican Senators Asked for Tolling Agreements .....	164
8.	Roger Altman Was Briefed on the Statute of Limitations Issue and Considered Recusing from Madison Guaranty Matters .....	167
9.	Roger Altman Met with Secretary Lloyd Bentsen and Jean Hanson about Recusal.....	168
10.	Roger Altman Arranged a February 2, 1994 White House Meeting.....	171
11.	Jean Hanson Prepared Talking Points for the February 2 Meeting.....	171
12.	The February 2, 1994 White House Meeting.....	174
13.	Roger Altman Discussed the White House Meeting with Joshua Steiner .....	179
14.	Roger Altman Phoned McLarty about the February 2 Meeting.....	181
E.	Roger Altman Decided Not to Recuse.....	181
1.	Roger Altman Told Others That His Decision Not to Recuse Was Influenced by the Reactions at the White House Meeting.....	181
2.	Roger Altman Met Again with Secretary Lloyd Bentsen.....	183
3.	Roger Altman Went to the White House to Tell White House Officials about His Decision.....	183
4.	Harold Ickes Told the President and Mrs. Clinton about Roger Altman's February 2 Meeting at the White House on the Statute of Limitations and Recusal .....	186
5.	Jean Hanson and Bernard Nussbaum Discussed Roger Altman's Recusal and the Hiring of Ellen Kulka.....	188

6.	Jean Hanson and Bernard Nussbaum Discussed Independent Counsel Fiske's Jurisdictional Charter .....	190
7.	Joshua Steiner Met with George Stephanopoulos about Roger Altman's Recusal Decision.....	191
8.	The Alleged Third Meeting with Secretary Bentsen about Recusal.....	191
9.	Jean Hanson and Ellen Kulka Discussed Roger Altman's Failure to Recuse.....	193
10.	The Statute of Limitations on Certain RTC Civil Claims Were Extended.....	193
11.	The Media Asked about the February 2, 1994 White House Meeting .....	194
12.	Roger Altman Prepared for the February 24, 1994 Hearing.....	197
F.	On February 23, 1994, Treasury and White House Officials Had Further Contact .....	209
1.	Discussions Involved Roger Altman's Testimony on Recusal.....	209
2.	Roger Altman Spoke with Senator Alphonse D'Amato before the Hearings.....	212
3.	Roger Altman Testified at the February 24, 1994 Senate Banking Committee Hearing .....	212
4.	The RTC Hired Outside Counsel to Pursue the Madison Guaranty Matter .....	221
5.	Altman's February 25 Recusal .....	222
6.	Ickes and Stephanopoulos Telephoned Altman.....	223
7.	Altman Told Steiner about the White House Call .....	225
8.	Ickes Testified about the February 25 Call with Altman.....	226
9.	Stephanopoulos Testified about the February 25 Call with Altman.....	230
10.	Stephanopoulos Spoke with Steiner.....	234

11.	Other Witnesses' Testimony about Altman's Recusal, Stephens's Retention, and White House-Treasury Contacts about Those Subjects .....	239
	a. Michael Levy .....	239
	b. Mack McLarty .....	239
	c. John Podesta.....	240
	d. President Clinton.....	240
G.	Hanson Talked with Steiner about the Stephens Retention .....	242
	1. Eggleston Wrote a Memorandum for Ickes That May Have Been Transmitted to the First Lady about Madison Guaranty, the RTC, the FDIC, and the Rose Law Firm .....	244
	2. White House Officials Discussed the Accuracy of Altman's Testimony .....	248
	a. Podesta and Altman Spoke about Altman's Testimony .....	250
	b. Podesta Reported to Other White House Officials on His Phone Call with Altman .....	252
	c. Altman Discussed Podesta's Call with Treasury Department Staff.....	253
	d. Hanson Prepared Questions and Answers for Herself about the Fall Contacts.....	255
	e. A Story about the Fall Meetings Was Published in <u>The Washington Post</u> .....	255
	f. Hanson Had Two Telephone Conversations with DeVore on March 2, 1994 .....	257
	g. Altman Wrote a Letter to Senator Riegle on March 2.....	258
	h. Altman Wrote a Second Letter to Senator Riegle on March 3 Correcting His Testimony .....	261
	i. Altman Wrote a Third Letter to Chairman Riegle .....	262
	j. Altman Sent a Fourth and Final Letter of Correction on March 21 .....	265

IV. ANALYSIS.....266

V. SUMMARY CONCLUSION.....269

APPENDIX 1 - RTC EMPLOYEES PLACED ON ADMINISTRATIVE LEAVE