

*Bob Dole*



**NEWS**

**U. S. SENATOR FOR KANSAS**

**FROM:**

**SENATE REPUBLICAN LEADER**

*FOR IMMEDIATE RELEASE*  
*Monday, January 3, 1994*

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## **"WHITEWATER" SPECIAL COUNSEL**

**DOLE LETTER TO RENO URGES SPECIAL COUNSEL IN "WHITEWATER" AFFAIR:**  
**ATTORNEY GENERAL HAS AUTHORITY TO APPOINT INDEPENDENT INVESTIGATOR**

WASHINGTON -- Senate Republican Leader Bob Dole today wrote the following letter to Attorney General Janet Reno requesting the appointment of a special counsel to investigate allegations concerning the now defunct Madison Guaranty Savings & Loan and Whitewater Development Corporation.

The Honorable Janet Reno  
U. S. Department of Justice  
10th Street and Constitution Avenue, N.W.  
Washington, D.C. 20530

Dear Attorney General Reno:

I am writing to request that you exercise your authority under 28 U.S.C. Part II to appoint a special counsel to investigate the allegations that have recently surfaced concerning Madison Guaranty Savings and Loan ("Madison") and Whitewater Development Corporation ("Whitewater"). According to media reports, Madison was owned by Mr. James McDougal, and Mr. McDougal and his wife were partners with President Clinton and the First Lady in Whitewater.

Based upon reports in the media, the allegations of possible misconduct include the illegal diversion of funds from Madison to Whitewater (Madison's failure has reportedly cost taxpayers \$60 million); improper campaign loans and contributions by Madison to then Governor Clinton's campaign and other campaigns; favorable treatment of Madison by state regulators (including questions concerning the appointment of regulators); and the improper withholding of documents from federal investigators.

I express no opinion as to whether there is any basis whatsoever to any of these allegations. Nevertheless, I believe that the allegations are sufficiently serious to merit the type of independent review that a special counsel could provide.

As you may know, I recently voted against the reauthorization of the Independent Counsel Act. I continue to believe that the statute is unnecessary precisely because the Attorney General already has the authority to appoint special counsels in cases involving potential misconduct by high government officials. In fact, this authority has been exercised by Attorneys General in previous Administrations. Most recently, former Attorney General William Barr appointed special counsels to investigate the Inslaw matter and the House Bank scandal. Moreover, there is a long-standing tradition of appointing special counsels in similar situations, including the appointment of Watergate special prosecutors Archibald Cox and Leon Jaworski and the appointment of Paul Curran during the Carter Administration.\*

\* As you know, you also have the authority under Justice Department regulations (28 CFR Part 600) to appoint an Independent Counsel. In fact, the only substantive difference between a "regulatory" Independent Counsel and the "statutory" one envisioned by the Independent Counsel Act is that the Attorney General appoints the regulatory Independent Counsel, whereas the Attorney General applies to the Special Division of the Court of Appeals to appoint the statutory one. Former Attorney General William Barr exercised this regulatory authority when he appointed Judge Frederick Lacey to investigate the BNL matter.

(more)

I understand that you have expressed reluctance to appoint a special counsel because you believe that whomever you select would somehow lack independence and be considered under your control. You are quoted as having said that "[i]f I appoint a special prosecutor, it's still my prosecutor, and there will be questions about that person's independence."

With all due respect, I believe that this statement is an excuse for inaction, rather than a justification. Certainly, if you appoint a person of integrity, there should be ample confidence in the independence of his or her investigation. As the New York Times (December 26, 1993) recently editorialized: "Representative Jim Leach...has called on Ms. Reno to appoint an independent counsel to investigate Whitewater and the circumstances surrounding Mr. Foster's death. Ms. Reno has refused, arguing that any special prosecutor she appointed would be seen as less than fully independent. Nonsense. Her appointee would be perceived as independent if he or she had a reputation for courage, competence, and integrity (emphasis added)."

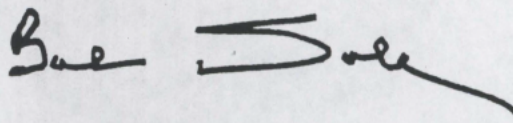
I agree. Indeed, I would be more than willing to supply you with the names of individuals whom I believe would be suitable for appointment as a special counsel in this case.

Attorney General Reno, you yourself have publicly noted that an appearance of a conflict of interest could arise in those situations in which the Attorney General investigates the President. As you testified before the Senate Governmental Affairs Committee: "The reason why I support the concept of an Independent Counsel, with statutory independence, is that there is an inherent conflict whenever senior Executive Branch officials are to be investigated by the Department [of Justice] and its appointed head, the Attorney General. The Attorney General serves at the pleasure of the President. Recognition of this conflict does not belittle or demean the impressive professionalism of the Department's career prosecutors, nor does it question the integrity of the Attorney General and his or her political appointees. Instead, it recognizes the importance of public confidence in our system of justice, and the destructive effect in a free democracy of public cynicism." See Statement of Attorney General Janet Reno Concerning S. 24, the Independent Counsel Reauthorization Act, p. 4 (May 14, 1993).

The best way to guard against public cynicism in this matter is to appoint a special counsel. If President Clinton and any others who are the subject of the various allegations surrounding Madison and Whitewater have indeed done nothing wrong, they deserve to have their names cleared in a manner in which the public will have complete confidence.

Thank you for your consideration of this request. I look forward to hearing from you at your earliest convenience.

Sincerely,



· BOB DOLE