

Starr, Scaife under fire, as GOP guns for impeachment

by Edward Spannaus

The battle in Congress around independent counsel Kenneth Starr's assault on the Presidency is intensifying, with Starr coming under sharp attack from some quarters, while at the same time, the Republican leadership in the House is putting the procedures in place to launch impeachment proceedings against the President.

Taking the point in the House is John Conyers (D-Mich.), the ranking minority member on the House Judiciary Committee. Conyers has both requested that the Attorney General launch an investigation of Starr to determine if he should be removed for misconduct and abuse of power, and has directed a series of questions to the "Daddy Warbucks" behind Starr and many of the attacks on the President, the British-trained billionaire Richard Mellon Scaife.

On the Senate side, Robert Torricelli (D-N.J.) has sent a similar demand to Attorney General Janet Reno, asking her to initiate an inquiry as to whether Starr should be removed or disciplined due to his "repeated failures to report and avoid conflicts of interest."

Conyers takes the point

Representative Conyers delivered a 12-page letter to Attorney General Reno on Feb. 6, asking her to initiate a formal investigation of Starr "to determine whether he should be removed or disciplined, or whether members of his staff should be disciplined, for repeated instances of alleged misconduct and abuses of power." Conyers emphasized that there has been a pattern of leaks, which are suspected of coming from Starr's office: He cited 49 instances of grand jury leaks appearing in 37 different news stories, during just the ten-day period of Jan. 21-31.

Conyers requested that an independent investigation be initiated, as to whether Starr and his office: 1) illegally leaked

grand jury evidence; 2) conducted unauthorized *ultra vires* investigations—particularly opening the Monica Lewinsky investigation before he was given jurisdiction over the matter; 3) improperly intimidated witnesses, using coercive techniques; 4) improperly coordinated their efforts with the lawyers for Paula Jones; 5) had numerous conflicts of interest, including those involving Richard Mellon Scaife; and 6) undermined the relationship between the Secret Service and the President.

A few days later, on Feb. 11, Conyers escalated, dispatching a formal request to Mellon Scaife asking Scaife to provide detailed information and financial records concerning both Scaife's ties to Kenneth Starr, and Scaife's financing of investigations of President Bill Clinton. Conyers propounded a series of questions to Scaife concerning:

1. Scaife's grants to the *American Spectator* and the "Arkansas Project," as well as any funds provided to David Hale or payment of Hale's legal fees;
2. Scaife's \$1.1 million gift to Pepperdine University, to underwrite positions for Starr;
3. whether Paula Jones was advised by the Landmark Legal Foundation, and the amount of Scaife-associated funds which have gone to Landmark or to the Paula Jones legal case; and
4. a request for reports and financial records for Scaife's three foundations, and also for other organizations to which Scaife's foundations have given grants for anti-Clinton activity.

"Among other things," Conyers wrote, "I am interested in the extent to which these entities have been involved in funding or performing investigations, projects, reports, videotapes, books, articles and the like relating to President Clinton and allegations of wrongdoing by the President."

Dollars for dirt

Although it is not detailed in Conyers's letter, the Scaife payments made to the "Arkansas Project" may directly involve witness tampering with respect to Starr's key witness in his Little Rock, Arkansas prosecutions of former friends and associates of President Clinton. In his letter, Conyers cited an article in the *New York Observer* which documented Scaife's payments of at \$600,000 to the effort to dig up dirt on Clinton in Arkansas. This money, the *Observer* reported, was funnelled through the American Spectator Educational Foundation, which is affiliated with the *American Spectator* magazine which, in turn, published the first "Troopergate" story in January 1994.

The article demonstrates the close ties between personnel from Scaife's foundations, the *American Spectator*, and David Hale, a former municipal judge in Little Rock who changed his testimony under a cooperation agreement with Starr.

By way of background, it should be noted that Hale had been under investigation for allegedly defrauding the Small Business Administration, and during this time he changed his story to implicate Bill Clinton, Arkansas Gov. Jim Guy Tucker, and James and Susan McDougal in an allegedly illegal loan scheme. One of the problems Starr had with Hale's credibility, was that in earlier interviews with the FBI, Hale had never mentioned any pressure from Clinton or Tucker to make the loan. The implication of the *Observer* disclosures, is that a chunk of Scaife's money was used to pay for Hale's lawyers and legal fees, once he started cooperating with Starr.

Torricelli hits Starr, Scaife ties

Starr's conflicts of interest involving Scaife were also raised in the letter delivered to Attorney General Reno on Feb. 11 by Senator Torricelli, in which Torricelli, a member of the Senate Judiciary Committee, demanded that Reno conduct a formal investigation of Starr for violations of the Ethics in Government Act.

Torricelli in particular focussed on the expansion of Starr's investigation into the Paula Jones case, which put Starr in violation of the conflict-of-interest provisions of the Ethics in Government Act, because Starr's law firm of Kirkland and Ellis has been involved in the Paula Jones case, plus the fact that Starr himself had provided legal advice to Paula Jones's lawyers prior to his appointment as independent counsel.

"Over the course of this entire investigation," Torricelli wrote Reno, "Mr. Starr . . . has embraced (and been embraced by) persons and interests that seek to undermine the President as part of their political agenda. . . . A person of Mr. Starr's numerous conflicts of interest cannot carry out the even-handed and fair-minded, independent investigation contemplated by the Act. Moreover, evidence that has surfaced thus far regarding the expansion of Mr. Starr's jurisdiction into these matters raises serious concerns about the OIC's [Office of the Independent Counsel] collusion with the Paula Jones

legal team in an effort to unfairly and illegally trap the President."

Torricelli also raised Starr's funding of the "Arkansas Project" and its links to witness David Hale, as well as Starr's own ties to the Lynde and Harry Bradley Foundation, which has also given funds to the President's critics, including the *American Spectator* and the Landmark Legal Foundation.

Torricelli also devoted considerable attention to setting forth evidence of Starr's "collusion" with the Paula Jones legal team, which, Torricelli said, "would constitute misconduct of the highest order and provide grounds for Mr. Starr's removal." Torricelli noted reports that Linda Tripp had provided the Paula Jones legal team with information concerning Tripp's taped conversations with Monica Lewinsky, including those conversations which were electronically monitored at the direction of Starr's office. Torricelli argued that the primary purpose of the deposition of President Clinton by Jones's lawyers, was to trick the President and to "catch Mr. Clinton in a lie," which would then be prosecuted by Starr. Torricelli suggests that Starr's office may have even helped Jones's lawyer formulate the questions to be asked of the President. "The President, as do others in this investigation, deserves the same protections that shield all other Americans from arbitrary and unlawful government conduct," Torricelli said.

House ready for impeachment

House Republican leaders, meanwhile, have been quietly putting the machinery for an impeachment inquiry into place, in the likely event that Starr refers to the House, whatever evidence he has cooked up against the President. Under the independent counsel law, Starr must report to the House of Representatives if he finds "substantial and credible evidence" of impeachable crimes; it is widely assumed that Starr would dump the matter on the House, rather than attempt a probably unconstitutional indictment of a sitting President.

The Capitol Hill newspaper *Roll Call* reported on Feb. 9 that House Speaker Newt Gingrich (R-Ga.) had held a closed-door meeting the previous week with the House Republican leadership to discuss the procedures and funding for an impeachment inquiry against President Clinton. *Roll Call* and other media reported that the Republican leadership discussed dipping into a \$4.4 million special fund, to pay for hiring staff and investigators.

It has reportedly also been decided that any impeachment investigation will be conducted by House Judiciary Committee Chairman Henry Hyde (R-Ill.).

While an impeachment at this point seems highly unlikely, given the U.S. population's anger and disgust at the tactics of independent counsel Starr, this could change rapidly. *EIR*'s Founder and Contributing Editor Lyndon LaRouche warned in our last issue, that if President Clinton gives into British pressure and carries out a military strike

against Iraq, that he will rapidly lose his credibility at home and abroad, and Clinton's defenses against Starr's attacks and impeachment drive will quickly evaporate.

Documentation

Conyers calls for investigation of Starr

From a letter from Rep. John Conyers (D-Mich.) to Attorney General Janet Reno, Feb. 6, 1998:

Pursuant to the powers vested in the Attorney General by the Ethics in Government Act . . . I respectfully request that you initiate a formal inquiry of the Independent Counsel Kenneth Starr to determine whether he should be removed or disciplined, or whether members of his staff should be disciplined, for repeated instances of alleged misconduct and abuses of power. . . .

I am requesting an independent investigation into whether Mr. Starr and his office have illegally leaked grand jury evidence, conducted unauthorized *ultra vires* investigations, improperly intimidated witnesses, engaged in numerous conflicts of interest, undermined the role of the Secret Service to protect the President, and been involved in other misconduct. . . .

In my judgment, failure by the Department of Justice to direct an independent investigation of these serious allegations would only send a dangerous signal to Mr. Starr that this alleged misconduct is condoned by the DOJ. . . .

From a letter from Representative Conyers to Richard Mellon Scaife, Feb. 11:

Richard Mellon Scaife
c/o the Scaife Foundations. . .
Pittsburgh, PA 15219-6401

Dear Mr. Scaife:

. . . Since your name has been associated with many of the charges of conflicts-of-interest pertinent to the independent counsel, I thought you would welcome the opportunity to provide a detailed accounting of what role, if any, you have played in efforts to investigate the President and your financial relationship with Mr. Starr.

For example, some have suggested that your expenditure of considerable sums of money to investigate the President while financing a prestigious academic position for Mr. Starr

would create for Mr. Starr, at best, in improper conflict-of-interest, and, at worst, an illegal *quid pro quo*.

To this end, as Ranking Member of the House Judiciary Committee, I am submitting the following questions. Your prompt response could help lift the cloud of impropriety that is currently plaguing Kenneth Starr's operation.

1. An article in the February 4, 1998 *New York Observer* reported that according to sources at the *American Spectator* you have "funnelled as much as \$600,000 a year from tax-exempt foundations to the *American Spectator* for a secretive operation known as the 'Arkansas Project' over the past four years."

A. . . . Please provide me with any and all documents pertaining to these grants. . . .

B. Sources at the *American Spectator* have further stated that money from the Scaife-financed "Arkansas Project" was "used to pay former FBI agents and private detectives to unearth negative material on the Clintons and their associates." Please provide me with any knowledge or understanding you may have regarding these expenditures. . . .

C. Have you or any group or association with which you are involved provided any funds to David Hale, a witness in the Whitewater trial, or provided any other payment or subsidy to offset Mr. Hale's legal fees? . . .

2. [This pertains to Scaife's \$1.1 million gift to Pepperdine University, to underwrite positions offered to, and accepted by, Kenneth Starr.]

3. An article in the Feb. 23, 1998 issue of *The Nation* reports that Paula Jones was at one point advised by the Landmark Legal Foundation, which has reportedly received funds from the Scaife Foundation. Please confirm if this is accurate, and if so, describe the amount of Scaife-associated funds which have gone to the Landmark Legal Foundation and the Paula Jones legal effort. . . .

4. Beginning in 1992, please provide me with copies of annual reports and all financial statements and expense reports (on an audited or unaudited basis), grant requests, and grants of the Scaife-controlled Carthage, Allegheny, and Sarah Scaife Foundations. Provide the same information with respect to the following concerns and entities reported to be associated with these foundations: Washington Legal Foundation; Landmark Legal Foundation; Southeast Legal Foundation; Free Congress Foundation; Accuracy in Media; Western Journalism Center; Regnery Publishing, and *The American Spectator*. Among other things, I am interested in the extent to which these entities have been involved in funding or performing investigations, projects, reports, videotapes, books, articles and the like relating to President Clinton and allegations of wrongdoing by the President. . . .

Sincerely,
John Conyers, Jr.
Ranking Member