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Thomas F. McLarty, III

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For the District of Columbia Circuit

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Mark J. Langer, Clerk  
United States Court of Appeals  
District of Columbia Circuit  
Washington, D.C. 20001-2866

**Special Division**

**UNDER SEAL**

Re: Thomas F. McLarty, III

Dear Mr. Langer:

As counsel to Mr. McLarty and on his behalf we submit this response to the Report filed by the Office of Independent Counsel in *In re: Madison Guaranty Savings & Loan Association (In re: William David Watkins and In re: Hillary Rodham Clinton)*. We make this submission pursuant to 28 U.S.C. § 594(h)(2) and request that it be included in the appendix to the Report.

The Independent Counsel concludes in the Report that no prosecutions are warranted. In reaching that conclusion, the Independent Counsel relies in part upon Mr. McLarty's testimony. Despite crediting Mr. McLarty's testimony in the text of the Report, the Independent Counsel in Appendix A purports to describe White House "resistance" to providing information to investigators. It claims Mr. McLarty had "varying recollections" regarding a brief contact he had with the First Lady on May 16, 1993 as an example of this purported resistance. That characterization is unfair and unjustified by the facts.

First and foremost, Mr. McLarty has never resisted providing information to anyone investigating the travel office matter. To the contrary, Mr. McLarty has cooperated fully with every investigative team concerned with the matter. They included the White House management review in 1993, the General Accounting Office, the House Government Reform Committee and the Office of Independent Counsel. Mr. McLarty has made himself available for questioning on numerous occasions and has produced documents.

Second, Mr. McLarty did not have varying recollections regarding the substance of his contact with the First Lady on May 16, 1993. It is true that the agent's notes of his March 1994 GAO interview do not contain a reference to the May 16<sup>th</sup> conversation. It is manifestly unfair to suggest, however, that he intended to conceal that conversation when he spoke to the GAO. As the Independent Counsel knew, Mr. McLarty had publicly referred to the "second" contact with the First

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Lady when he met with the press on July 2 1993 to present the findings of the management review. Congressman William F. Clinger (R-Pa.), who in 1996 chaired the House Government Reform Committee's investigation of the travel office matter, in October 1994 acknowledged that Mr. McLarty had disclosed the second contact with the First Lady. In his October 7, 1994 Letter to Honorable John Conyers, Attachment K, p.4, he says:

According to the GAO interview with Mr. McLarty, at least two additional discussions between Mrs. Clinton and White House staff regarding the Travel Office may have occurred. Mr. McLarty recalls Mrs. Clinton stating that she'd already spoken with David Watkins prior to the Clinton-McLarty May 13<sup>th</sup> conversation. In addition, Mr. McLarty told the media on July 2, 1993 that the First Lady may have spoken to him again about the Travel Office after the Peat Marwick review. If McLarty is correct, this conversation could have occurred before the firings, since Peat Marwick's draft report was submitted on May 17, 1993.

In 1996, Mr. McLarty testified that he simply did not remember whether, when he spoke in 1993 to Mr. Podesta about the travel office matter, they specifically discussed the May 16<sup>th</sup> conversation. That is hardly surprising given the passage of time. Simply put, there is nothing in these events to justify an innuendo that Mr. McLarty was other than completely forthcoming and truthful at all times.

The OIC Report contains two additional errors regarding Mr. McLarty's May 16 contact. One page 150, the Report states that Mr. McLarty had his second telephone contact with the First Lady on May 16, 1993. In fact, this contact was in person. Mr. McLarty has never testified that it was on the telephone. This same error appears again on page 233.

Very truly yours,



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