

the event in the manner that the Clintons would want it done.¹⁰⁶ On his resume, he wrote that the "Mission statement" of his job, was to "[p]rotect the integrity of the Office of the President."¹⁰⁷ He also stated that he was responsible for securing the PIC computer network against fraud and theft.¹⁰⁸ According to theft reports by the Federal Protective Service, more than \$174,000 worth of the Inaugural Committee's computers, VCR's, radios, cellular phones, pagers and other electronic gear disappeared from the committee headquarters.

After the Inauguration, Livingstone sought to obtain a position at the Clinton White House. Mr. Livingstone testified that he was asked to assist with the advance for President Clinton's first Cabinet meeting at Camp David.¹⁰⁹ Mr. Livingstone worked on advance for the Cabinet meeting from January 25 through 30, 1993.¹¹⁰ While organizing advance for the Cabinet meeting, Livingstone worked with Christine Varney, President Clinton's new Cabinet Secretary. Ms. Varney testified that she knew Livingstone prior to the Clinton campaign, "he was generally known as one of the guys around town who did advance for Democratic party stuff."¹¹¹ Ms. Varney could not recall whether Livingstone mentioned the job in the Security Office to her or whether she mentioned it to him.¹¹² Ms. Varney did state that although she was unclear on whether she told Livingstone about the position, she believes it unlikely that she approached Livingstone about the position because she would not have known about it at that time.¹¹³

According to Associate White House Counsel Cheryl Mills, at the end of January or beginning of February, Deputy Counsel Vince Foster told Mills that he was planning on speaking with Livingstone about one of the lower-level administrative positions in the Security Office.¹¹⁴ Mr. Foster also spoke with Varney about the position for Livingstone. He described the work to Varney as, "an administrative paper-pushing kind of job, [for] someone who knew most of the new Clinton employees, to sit on them to make sure they got their paperwork done."¹¹⁵ Based on Foster's description, Varney told Foster that Craig Livingstone would be appropriate for a position with that level of responsibility.¹¹⁶

Mr. Foster and Cheryl Mills eventually interviewed Livingstone for what Mills described as the "most junior position" in the Security Office.¹¹⁷ She explained the position to Livingstone as administrative, primarily collecting and sending out forms. She also indicated to him that whoever was hired to fill Jane Dannenhauer's position as Assistant to the Counsel, would make the ultimate deci-

¹⁰⁶ Livingstone deposition, March 22, 1996, p. 18. (See also, Varney deposition, July 23, 1996 dep., p. 14. Christine Varney, the general counsel of PIC, described Livingstone's position as handling the logistics of transportation to and from the Navy Yard, where PIC was located, as well as handling passes or credentials for PIC employees and volunteers.)

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

¹⁰⁹ Livingstone deposition, March 22, 1996, p. 21.

¹¹⁰ White House document CGE 048536.

¹¹¹ Varney deposition, March 23, 1996, p. 15.

¹¹² Varney deposition, March 23, 1996, p. 18.

¹¹³ *Id.*, pp. 18-20. (See Livingstone deposition. Livingstone, however, stated that it was Varney who told him about the position in the Security office.)

¹¹⁴ Deposition of Cheryl Mills, August 2, 1996, p. 15.

¹¹⁵ Varney deposition, p. 19.

¹¹⁶ *Id.*

¹¹⁷ Mills deposition, p. 16.

sion on whether to hire Livingstone.¹¹⁸ According to Ms. Mills, Livingstone indicated to both Foster and Mills that he viewed the job as a temporary position, as he was interested in a position as Director of the Military Office.¹¹⁹ Although many have suggested a role for Vince Foster in hiring Craig Livingstone, Mr. Livingstone failed to recall any contact whatsoever with Mr. Foster when he testified under oath in his deposition.¹²⁰ The Security Office position for which Livingstone interviewed with Foster and Mills was relatively low-paying and not as challenging a position as Livingstone wanted.¹²¹

According to White House records, Livingstone began working in the Security Office on February 8, 1993.¹²² On that date, he wrote a memo to Cheryl Mills reviewing the duties and personnel in the Security Office.¹²³ Mr. Livingstone states in the memo that he "reviewed the White House Security Office as requested."¹²⁴ He stated that Jane Dannenhauer and Nancy Gemmell would be staying on for a short period of time and reporting to Livingstone. He also explained that he would be meeting with the IRS and FBI for briefings on their respective roles in the background process. Mr. Livingstone attached a proposed memo to Jane Dannenhauer to go out under the name of the Deputy Assistant to the President and Deputy Counsel directing Dannenhauer to notify her staff that effective February 8, 1993 Craig Livingstone would serve as the Director of the White House Security Office with Dannenhauer serving as his "advisor" until March 1, 1993, "whereupon, it is expected she will submit her resignation."¹²⁵

According to Cheryl Mills' testimony, Livingstone was to be an assistant in the office and a more senior person was to be hired to replace Jane Dannenhauer. When asked whether she recalls learning that Livingstone had become the Director of the office, she testified: "I actually don't ever recall learning that fact, but I am sure there became a point in time later on in the year when it must just have been self-evident. But I don't recall learning that fact."¹²⁶ In contrast, the February 8, 1993 memo, with her handwritten notes in the margin, clearly and explicitly shows that Livingstone himself informed her that he was the Director of the Security Office. Associate Counsel William Kennedy, who eventually was assigned the responsibility of oversight of the Security office, was not hired until February 10, 1993, 2 days after the memo was written.¹²⁷

Livingstone testified in his first committee deposition that Christine Varney introduced him to people in the Counsel's Office, one of whom was Cheryl Mills.¹²⁸ Mr. Livingstone stated that he had a brief discussion with Mills about the position in the Security Office, which she described as largely administrative.¹²⁹ Ms. Mills explained to him that she would not be overseeing the office, however

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ Livingstone, 3/22/95 dep., pp. 22-23.

¹²¹ Mills deposition, p. 16.

¹²² White House documents CGE 053841, 046220.

¹²³ White House document, CGE 48606.

¹²⁴ White House document CGE 048606-608.

¹²⁵ *Id.*, p. 048608.

¹²⁶ Mills deposition, p. 16.

¹²⁷ White House document CGE 053841.

¹²⁸ Security of FBI Files hearing, June 26, 1996, p. 215.

¹²⁹ *Id.*

someone would soon be appointed. Shortly thereafter, William Kennedy was appointed as Assistant Counsel to the President and took control of oversight of the Security Office.¹³⁰

Former White House Counsel Bernard Nussbaum recalled yet another version of the hiring of Craig Livingstone. He stated, "at the time I arrived in the White House on January 20, 1993, or shortly thereafter, Craig Livingstone was acting already in the Office of Personnel Security. That's when Mr. Foster and I arrived . . . [h]e was in the White House, I believe, when I got there."¹³¹ Former Assistant Counsel to the President Kennedy testified that Livingstone was already working in the Security Office.

I arrived the first week in February and went on the payroll on February the 10th, I believe. When I arrived, Craig was acting as Acting Director of the Office of White House Personnel Security. I was informed by Mr. Foster that was the position he was under consideration for. I don't know who told Mr. Foster that or on what basis.¹³²

Mr. Livingstone himself stated that he was working in the office when Kennedy arrived at the White House. Mr. Livingstone was not on payroll at the time, and stated that he still considered himself an "advance person."¹³³ Mr. Livingstone did not go on the payroll for several weeks. According to Kennedy's testimony, Livingstone had a probationary period while waiting for his FBI background investigation to be completed.¹³⁴ His FBI background investigation was initiated on February 18, 1993 and completed on March 13, 1993.¹³⁵

In the course of Livingstone's background investigation FBI Agent Dennis Sculimbrene conducted interviews on March 1-3, 1993, of Livingstone's supervisors at the White House, including Bernard Nussbaum and Bill Kennedy. Agent Sculimbrene took contemporaneous notes of the meeting where Nussbaum mentioned that although he had only known Livingstone for the period of time since he had been employed in the new Clinton administration, he understood that Craig Livingstone "had come highly recommended to him by HILLARY CLINTON."¹³⁶ Mr. Nussbaum added that Mrs. Clinton "has known his mother for a longer period of time." Mr. Kennedy told Agent Sculimbrene that "he did not hire" Craig Livingstone and was aware that Livingstone "may not stay in his current position."¹³⁷

Another FBI agent who was assigned to the White House, Gary Aldrich, recalled a conversation with Assistant Counsel and Rose Law Firm partner Bill Kennedy. Mr. Kennedy asked the agent what type of person should be in the position of Director of the Security Office. Agent Aldrich answered that it should be "somebody

¹³⁰ *Id.*

¹³¹ *Security of FBI Files* hearing, June 26, 1996, p. 56.

¹³² *Id.*, pp. 58-59.

¹³³ *Id.*, p. 170.

¹³⁴ *Id.*, p. 172.

¹³⁵ Secret Service Documents (unnumbered) (in committee files).

¹³⁶ Nussbaum has denied that he ever made the statement. The interviewing agent, Dennis Sculimbrene, does not remember the interview of Mr. Nussbaum, however he stated that his usual practice was to transcribe his notes immediately following any interview.

¹³⁷ March 1-3, 1993 interviews with White House supervisors in the course of the FBI background check on Craig Livingstone.

squeaky clean, meticulous, careful, discreet, mature, someone with a depth of understanding of security issues."¹³⁸ Mr. Kennedy later told Agent Aldrich: "it doesn't matter anyway; it's a done deal. Hillary wants him [Livingstone] for that slot."¹³⁹ Both Agent Sculimbrene and Aldrich testified that Kennedy told them that he had to hire Craig Livingstone.

Mrs. Clinton publicly denied hiring or even knowing who Craig Livingstone was until this year. In response to questions by reporters during her trip in Helsinki on July 10, 1996, Mrs. Clinton said, "I did not know him. I did not have anything to do with his being hired, and I do not remember even meeting him until sometime in the last year." In contrast, an intern working in the White House Office of Personnel Security informed this committee of an encounter with Mrs. Clinton that puts her denials of knowing Craig Livingstone in question.

White House intern, Gina Gibson, said that she was being shown around the White House when she saw Mrs. Clinton approaching from down the hall. Ms. Gibson said that as Mrs. Clinton passed she said "Hello Craig" and kept on walking.¹⁴⁰ Ms. Gibson interned at the White House from May 1994 through July 1994, well before the time period Mrs. Clinton said she first knew who Craig Livingstone was.

Craig Livingstone participated in numerous other activities within the White House where contact with President Clinton and Mrs. Clinton would have been likely. Craig Livingstone was sent to Little Rock, AR, January 1-6, 1994, to handle arrangements for President Clinton's mother's funeral.¹⁴¹ Included in the numerous other advance trips that Livingstone participated in was the October 22, 1993, Boston trip on which he was on advance for President Clinton,¹⁴² the April 21-25, 1994 advance trip to Boston for President Clinton, or when he was the site lead for President Clinton's May-June 1994 European trip.¹⁴³ These are just a few of the advance trips which Livingstone likely would have had contact with the President or Mrs. Clinton.

In May 1994, Livingstone wrote a memo to David Watkins requesting that he be provided with a cellular telephone since his "duties now require that [he] be on call during the weekends to assist the President in whatever manner necessary." If President Clinton did not know Livingstone personally, why did Livingstone need to be on call for him on weekends? What did Livingstone believe his duties entailed in order to "assist" the President?

Three days before the White House received Livingstone's background investigation, Kennedy sent a March 10, 1993 memo to David Watkins, Assistant to the President for Management and Administration, requesting that the effective employment date for Livingstone be established as February 8, 1993.¹⁴⁴ When Craig

¹³⁸ Aldrich deposition, July 18, 1996, p. 31.

¹³⁹ Aldrich deposition, July 18, 1996, p. 32.

¹⁴⁰ Telephonic staff interview of Gina Gibson.

¹⁴¹ White House document, CGE 54412.

¹⁴² White House document, CGE 54410.

¹⁴³ White House document, CGE 54387. Mr. Livingstone authored a memo to Tricia Northcutt in preparation for this trip requesting numerous sets of Presidential cufflinks, Presidential hats, Presidential pins, Presidential key chains, a ladies stick pin, Presidential pens and Presidential tie bars before he departed on May 23, 1994 for England.

¹⁴⁴ White House document CGE 046220.

Livingstone's March 1993 FBI background information was finally given to the Secret Service in the fall of 1993, the Service raised concerns with Kennedy about derogatory information in Livingstone's background.¹⁴⁵

Secret Service Agent Arnie Cole recalled that he was not aware that Livingstone would be taking over the position until the end of February 1993.¹⁴⁶ The Secret Service had stressed to the Clinton transition team how important the position of Director of the Security Office was in getting all the new people in and making sure everyone had a pass. Mr. Livingstone himself did not have his permanent White House pass until November 23, 1993. The FBI forwarded all of the results of Livingstone's background investigation to Nussbaum on March 16, 1993 and the file was not forwarded to the Secret Service for adjudication until September 20, 1993. Agent Cole testified that he raised questions about "derogatory information" in Livingstone's background with Kennedy.¹⁴⁷ Agent Cole further testified that he raised concerns about Livingstone with his superior at the Secret Service and "asked Mr. Kennedy if he concurred with my concerns one way or the other, and he did not, and ultimately Mr. Livingstone received his White House pass."¹⁴⁸ Another 2 months passed before Livingstone's permanent pass was finally approved on November 23, 1993.

Questions still remain as to how Livingstone was actually hired as the Director of the White House Security Office. Cheryl Mills states that he was to be an assistant in the office, yet she receives a February 8, 1993 memo where he clearly assumes the role of the Director. Messrs. Kennedy and Nussbaum both state that Livingstone was already in the office when they arrived, but neither of them questioned his background or qualifications for the position. Mr. Kennedy himself stated in a memo to Counsel to the President Bernard Nussbaum that Livingstone probably would not be in the position for long, as he was hoping to get the position as Director of the Military Office.¹⁴⁹

Finally, neither Kennedy nor Nussbaum mentioned that Mrs. Clinton had either recommended Livingstone or directed that he be placed in the "slot" of Director of the Security Office. In fact, both denied that Mrs. Clinton had anything to do with the hiring of Craig Livingstone. It remains a mystery how he came to the attention of former Rose Law Firm partner, then Deputy White House Counsel Vince Foster. What we do know is that both the FBI and the Secret Service voiced their concerns about hiring Craig Livingstone to head the White House Security Office. Despite these concerns and the fact that Kennedy knew that he did not even want the position, Livingstone was given absolute control.

¹⁴⁵ Cole, 7/10/96 dep., pp 22-23.

¹⁴⁶ *Id.*, p. 13. Secret Service Agent Arnie Cole is the supervisor of the White House Access Control Branch and as such, primary point of contact for Livingstone in his capacity as Director of the White House Office of Personnel Security. Mr. Livingstone did not receive his temporary pass until February 26, 1993.

¹⁴⁷ Cole deposition, pp. 21-22.

¹⁴⁸ *Security of FBI Files* hearing, July 17, 1996, pp. 99-104.

¹⁴⁹ White House document CGE 048543.

2. Craig Livingstone's quest for the Military Office

It was no secret that Livingstone wanted the position of Director of the Military Office. In a February 22, 1993 memo from Bill Kennedy to Bernard Nussbaum and Vince Foster, Kennedy addressed hiring Livingstone as the Director of the Office of Personnel Security. Mr. Kennedy wrote:

[Craig Livingstone] is willing to accept the job at a salary of \$45,000, although reserving the right to look for something better, such as becoming the Director of White House Military Affairs for which he is apparently being considered. That position apparently would not open until sometime in June, 1993, if at all. There is probably a good chance this office will lose Mr. Livingstone.¹⁵⁰

After Foster interviewed him for the "junior position" in the Security Office, Mills told the committee that she asked Foster why Livingstone would not be appropriate as the Director of the Military Office. According to Mills, Foster explained why it would be unreasonable for Livingstone to be in that position. He told her that it was usually a person with a long term history in the military and a relatively senior retired officer.¹⁵¹

Mr. Livingstone approached numerous people about his desire to become Director of the Military Office. He spoke to Bruce Lindsey,¹⁵² George Stephanopoulos,¹⁵³ Bill Kennedy,¹⁵⁴ Gary Aldrich, Chuck Easley,¹⁵⁵ Harry Thomason,¹⁵⁶ George Saunders,¹⁵⁷ Arnie Cole,¹⁵⁸ Dennis Sculimbrene,¹⁵⁹ Vince Foster¹⁶⁰ and Cheryl Mills¹⁶¹ among others.

Mr. Thomason testified that "for some reason, all the employees of the White House thought if they needed to unload things or tell things, that they could see me."¹⁶² Although Thomason testified that he remembered Craig Livingstone met with him, he was unable to recall the context of his notes of that meeting where he wrote: "Control of military office and SS [Secret Service] could very well derail future efforts."¹⁶³ FBI Agent Gary Aldrich testified that he too had a conversation with Livingstone about the Military Office position:

¹⁵⁰ White House document CGE 048543.

¹⁵¹ Mills deposition, August 2, 1996, p. 18.

¹⁵² Deposition of Bruce Lindsey, July 29, 1996, pp. 20-21. (Lindsey was asked whether Livingstone ever approached him about the job in the Military Office. Lindsey stated, "Yes. We did an event at the Library of Congress during the Inaugural and he, I think, was doing an advance on the event, and I was standing outside and he told me that he wanted to be head of the White House Military Office. . . . I asked whether or not it had to be a service person. He indicated it did not. I don't know if I said anything else.")

¹⁵³ White House document CGE 046222.

¹⁵⁴ White House document CGE 048543.

¹⁵⁵ Deposition of Chuck Easley, July 26, 1996, p. 42. (Easley stated that the first time he met him, Livingstone told him that he wanted to be the Director of the Military Office. That occurred sometime in early February 1994.)

¹⁵⁶ Thomason deposition, p. 71.

¹⁵⁷ Saunders, 7/13/96, p. 30. (Livingstone told Saunders that the job he really would like to have is head of the Military Office.)

¹⁵⁸ Cole, 7/10/96, pp. 10-11.

¹⁵⁹ Sculimbrene, 7/15/96, p. 53. ("[H]e told me, and as I understood from others, he was looking for another job. He told me he wanted to run the Military Office.")

¹⁶⁰ See, Mills, supra.

¹⁶¹ Supra note.

¹⁶² Thomason, 5/17/96, pp. 71-72.

¹⁶³ Bobbie Faye Ferguson document, BFF 1067.