

Agent Sculimbrene noted that the drug use was by "older people who had used illegal drugs much more recently, as recently as the Inaugural."⁶⁴⁴ According to Sculimbrene, these drugs included:

designer drugs . . . I think the first time I heard the word 'designer drugs' was off an appointee. Cocaine . . . possibly crack cocaine . . . hallucinogenic mushrooms. I think some people used LSD. It was much more than the one or two times when they were 18 or 19 years old . . . this was not just junior staffers, either.⁶⁴⁵

Agent Sculimbrene noted that he did not believe that "a single person" was terminated because of any information of this nature that became apparent from an FBI background investigation.⁶⁴⁶

FBI Agent Cecilia Woods also found recent drug use in the backgrounds of some appointees and noted one instance where drug usage stopped as recently as the day before an individual filled out the SF-86.⁶⁴⁷

It was in a White House having its own problems completing background investigations that Livingstone and Marceca were busy at work on the "Update Project," which resulted in the procurement of hundreds of background investigation files of former Reagan and Bush officials.

D. SECRET SERVICE CONCERNS

1. Delays in submitting background investigations to the Secret Service

The Secret Service also became concerned about the delays in the Clinton White House obtaining permanent passes.⁶⁴⁸ Secret Service Agent Arnold Cole was the supervisor of the White House Access Control Branch and was the individual tasked with interfacing with Livingstone's office.⁶⁴⁹

During the transition, Cole and other security personnel met with Clinton officials regarding security matters. At that time, David Watkins was the point of contact and Cole met with him on several occasions.⁶⁵⁰ At some point later in February, Livingstone was identified to Cole as the person who would be heading up the office.⁶⁵¹

During the spring of 1993, Cole convened a meeting of security officers for March 31, 1993 to meet "new members of the administration and discuss any security issues pertaining to the White House complex."⁶⁵² These meetings were convened monthly through November 1993.⁶⁵³ Agent Cole testified that the Secret Service received very few background files before the end of 1993.⁶⁵⁴

⁶⁴⁴ *Id.*

⁶⁴⁵ *Id.*, p. 43.

⁶⁴⁶ *Id.*, p. 44.

⁶⁴⁷ Woods deposition, p. 29.

⁶⁴⁸ Cole deposition, p. 18

⁶⁴⁹ *Id.*, p. 6.

⁶⁵⁰ *Id.*, p. 8.

⁶⁵¹ *Id.*, p. 10.

⁶⁵² *Id.*, p. 15.

⁶⁵³ *Id.*, p. 17.

⁶⁵⁴ Deposition of Arnold Cole, July 10, 1996, p. 25.

As the meetings proceeded through the year, it became apparent that there were problems with staff obtaining permanent passes. Agent Cole testified:

. . . the obvious concern that we had from a security standpoint was that anyone with a temporary pass exceeding 90 days and they have close proximity to the President, we would want to know whether or not this person would pose a possible immediate or projected threat later on. So those were our concerns.⁶⁵⁵

Agent Cole testified that he raised these concerns with Bill Kennedy and explained to him the importance of having the background investigations completed.⁶⁵⁶ Yet neither Kennedy's own background file nor Livingstone's were forwarded to the Secret Service until September 20, 1993.⁶⁵⁷ Following the submission to the Secret Service of both of their backgrounds, it took another 2 months before the Secret Service issued permanent passes to Kennedy or Livingstone on November 23, 1993.⁶⁵⁸ Earlier that month, on November 7, 1993, Livingstone's neighbor filed a complaint with the Montgomery County Police Department, charging Livingstone with a simple assault for threatening her. Mr. Livingstone reportedly said, "If you don't keep that (expletive deleted) dog quiet, I'm going to beat your face in."⁶⁵⁹ The neighbor informed police that Livingstone made previous threats to her in the past, which Livingstone admitted.⁶⁶⁰

Background files with no problems take only several days for the Secret Service to issue a permanent pass. No one at the White House was alarmed when the people whom they put in charge of reviewing backgrounds had problems significant enough to cause a 2 month delay in issuing their permanent passes. A man who made assault threats against a woman was put in charge of security at the White House. This should never have occurred.

2. *The Secret Service raised concerns about the content of the background files*

The Secret Service raised concerns about whether Livingstone should be granted a White House pass,⁶⁶¹ when it obtained his background file in September 1993. Agent Cole said that he became aware of "derogatory information" in Livingstone's file and raised it with Kennedy:

What I recall discussing with Mr. Kennedy was my concerns on the derogatory information and whether or not he concurred or not . . . he wanted to understand specifically what my concern was as it related to our mission . . .⁶⁶²

⁶⁵⁵ Deposition of Arnold Cole, July 10, 1996, p. 18.

⁶⁵⁶ *Id.*, p. 19.

⁶⁵⁷ GAO draft of data for GAO report, 1/5/95.

⁶⁵⁸ *Id.*

⁶⁵⁹ November 7, 1993 event report to Montgomery County Police of threat to Barbara Ann Sable by Craig Livingstone, #B93-240485.

⁶⁶⁰ *Id.*

⁶⁶¹ Cole deposition, pp. 21-22.

⁶⁶² *Id.*, pp. 22-23.

Agent Cole said there was also information in Kennedy's background file which was brought to his attention that he reviewed from a security standpoint and ultimately resolved in favor of Mr. Kennedy.⁶⁶³

As background investigations of other individuals started coming into the Secret Service in late 1993 and early 1994, it became apparent that there were issues of recent drug use in many files. Agent Jeff Undercoffer, who reviewed files in early 1994, testified: "I would say more than 30, more than 40, perhaps, had drug usage [beyond college age]" . . . and "a few dozens who were recent."⁶⁶⁴ Agent Undercoffer testified to what the files he reviewed included:

I have seen cocaine usage. I have seen hallucinogenic us-
ages, crack usages . . . I would say those are the big
three.⁶⁶⁵

In late 1993, the Secret Service raised concerns over an individual's pass request "based on our review of the background investigation" in which they "felt that the derogatory information was such that it may compromise the security of the White House without some other mechanism in place to ensure that our concerns were just merely concerns."⁶⁶⁶

The Secret Service initially denied pass requests for a number of individuals because of very recent drug use.⁶⁶⁷ Out of this situation, a program was developed whereby the offending individual was required to participate in a special drug testing program for White House employees with recent drug use.⁶⁶⁸

E. WHITE HOUSE DRUG TESTING PROGRAM

In order to obtain the approval of the Secret Service in issuing permanent passes to individuals with recent drug use, the White House instituted a random drug testing program. Agent Cole explained the program: "I think it was a compromise between both the White House and the Secret Service as a suggestion as to what would be amenable to both parties."⁶⁶⁹ According to the White House, the program included as many as 21 people over the past several years according to the White House. These were individuals who had drug use in the year before they began work at the White House. Nine such individuals still are employed at the White House.⁶⁷⁰ As White House Counsel Jack Quinn explained the program:

In a small number of instances, the Office of White House Counsel in consultation with the Secret Service, determined that an individual should be issued a pass only if he or she agrees to be subject to the more frequent, non-random special drug testing protocol described above. This means being tested unannounced twice a year under the same conditions as the standard random testing program

⁶⁶³ *Id.*, pp. 24-25.

⁶⁶⁴ *Id.*, p. 41.

⁶⁶⁵ Undercoffer deposition, p. 42.

⁶⁶⁶ Cole deposition, p. 31.

⁶⁶⁷ *Id.*, p. 32.

⁶⁶⁸ Cole and Undercoffer depositions.

⁶⁶⁹ Cole deposition, p. 32.

⁶⁷⁰ July 31, 1996 letter to Chairman Clinger from Jack Quinn.

in the EOP's Drug-Free Workplace Plan. These individuals are so designated because information developed in the course of the security clearance process or supplied by the individual suggested that it would be prudent to do so.⁶⁷¹

It is important to recognize that this program is handled entirely by the White House Counsel's Office and the drug testing is administered by the EOP random testing program. When an individual is placed in this program, a "drug letter" is placed in his or her file with the Secret Service. The Secret Service is then informed if there is any positive drug testing.

The individual must sign this "drug letter" indicating that they acknowledge the drug use set forth in his or her FBI background investigation and the individual is informed that any positive drug test would be grounds for immediate termination.⁶⁷²

The Secret Service has no role in the procedures for the drug testing program and relies entirely upon the information provided by the White House. There is no independent verification of the information by the Secret Service, which is entirely dependent upon the good faith efforts of the Counsel's Office to comply with the requirements in the "drug letter." The White House Counsel's Office staff who have been involved since 1993 in overseeing or supervising the special drug testing are Bill Kennedy, Beth Nolan and Chris Cerf.⁶⁷³

While the White House went to extraordinary lengths to have recent drug users on staff—it even created a special program to keep them employed at the White House—a June 10, 1993 memo suggests that Bill Kennedy and Craig Livingstone seemed to think drug users might have some kind of "right" to a job at the White House!⁶⁷⁴

In regard to staff who admit present or prior drug use, the June 10, 1993 memo asks: "Does the President have the authority to (1) refuse employment; (2) hire on conditions: send the individual to a health care professional to assess the individual's suitability/risk as a pre-condition of employment; and, (3) hire without any conditions?"⁶⁷⁵ Mr. Kennedy, who oversaw the frivolous firings of the Travel Office, had to ask whether or not the President could deny present drug users a job at the White House.

F. CIA COMPARTMENTED CLEARANCES

The Clinton White House issued the highest of national security clearances, CIA compartmented clearances, to Livingstone, Wetzl and other young staffers in the Office of Personnel Security. Although CIA officials reviewed Livingstone's drug history and FBI background file, it does not appear that the CIA made any objections to issuing Livingstone at least three separate compartmented clearances.⁶⁷⁶ Records the committee has now reviewed make it clear that the Clinton White House gave Craig Livingstone access to the most classified sensitive information.

⁶⁷¹ *Id.*

⁶⁷² July 31, 1996 letter to Chairman Clinger from Jack Quinn.

⁶⁷³ *Id.*

⁶⁷⁴ June 10, 1993, "Assignment from Bill Kennedy & Craig Livingstone," CGE 047888.

⁶⁷⁵ *Id.*

⁶⁷⁶ CIA documents, located in committee files.

The committee was troubled by the ease with which unsuitable candidates were given the highest levels of security clearances. The CIA explained to the committee that it authorized the clearances, including that of Livingstone, because the White House made the requests.

Finally, even when the White House decided to upgrade the security clearance process, Livingstone was given special treatment again. Current White House Security Chief Charles Easley testified that he did not review Livingstone's file when he was updating the clearances of everyone at the White House.⁶⁷⁷ Mr. Easley testified that even though he reviewed the file of everyone else he worked with at the White House, he declined to review Livingstone's file and approved him for a security clearance in December 1995.⁶⁷⁸ This is the individual the White House put in charge of the security office when Craig Livingstone resigned.

The lax and cavalier attitude the Clinton White House has regarding security was evident from the day Kennedy and Livingstone were placed in positions of responsibility at the White House. Mrs. Clinton had a role in Kennedy's hiring. Mr. Kennedy took full advantage of his connections to the President and Mrs. Clinton, informing FBI liaison Bourke of the relationship. Both Kennedy and Livingstone were unsuited to this sensitive work given problems with their own backgrounds and evidence of questionable conduct.

Despite complaints from the FBI and Secret Service about inordinate delays and abuse of past processes, the White House continued to allow unsuitable individuals to preside over the office. The White House ignored FBI and Secret Service concerns, and the office was eventually found to have inappropriately gathered FBI background files on hundreds of former Reagan and Bush officials.

The White House is at the center of policies and debates that may determine matters of life or death, war or peace. For the past 30 years, the White House has engaged in a careful process of security clearances and background checks on individuals to determine their suitability for positions in the White House and throughout the executive branch.

The clearance and background process is designed to protect the security of the President as well as the national security of the country. One need only recall the case of Aldrich Ames to realize what kind of problems can spring from a lack of vigilance in security matters. As important as it is to have solid procedures in place to guard against breaches of security, the people who operate such procedures must be carefully selected and remain above reproach. Clearly, that did not happen in the Clinton White House where cronies and political operatives were put in charge of these sensitive matters.

Whether or not these events are shown to be a blunder, the result of colossal incompetence, or whether they are established to be more serious or even criminal, the casualness with which this White House has approached many areas of security and access provided a climate for either of these troubling alternatives. The

⁶⁷⁷ Easley deposition, p. 72.

⁶⁷⁸ *Id.*

modus operandi of this White House allowed persons of questionable backgrounds to remain in the White House.