



CLINTON TEAM WORKS TO DEFLECT ALLEGATIONS ON NOMINEE'S PRIVATE LIFE

By Michael Isikoff

Washington Post Staff Writer

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The Clinton campaign is conducting a wide-ranging effort to deflect allegations about the Democratic nominee's private life and has retained a San Francisco private investigator and lawyer to discredit stories about women claiming to have had relationships with the Arkansas governor.

Betsey Wright, a senior Clinton aide who is overseeing the effort, said that since the Democratic National Convention there have been 19 allegations from women purporting to have had intimate relations with Bill Clinton. This follows seven earlier allegations that were being monitored by the Clinton campaign before the convention.

No major news organization has substantiated any of the stories, and Wright charges that much of the activity has been fueled by tabloid newspapers and television talk shows offering between "\$100,000 and \$500,000" to women willing to tell embarrassing stories about the Arkansas governor.

"Since the convention, the gold-digger growth is enormous," Wright said. "There is a whole industry being spawned. The real heroes are the women -- some of them low-income people -- who have been offered six figures to lie and have said no. . . . This is a Scud missile on American politics."

But one sign of the seriousness with which the Clinton campaign takes the matter came last spring when Wright used a law firm working for the campaign to retain Jack Palladino, a San Francisco attorney who heads a major private investigative firm, Palladino and Sutherland. A 1990 profile by the San Jose Mercury News described Palladino and Sutherland as "one of America's most successful investigative agencies." It operates out of a San Francisco mansion, employs about 10 detectives and charges clients \$200 an hour or up to \$2,000 a day for the services of its principal partners.

The hiring of Palladino illustrates not only the fierceness with which the Clinton campaign plans to combat rumors about the governor's personal life, but also the peculiar state of presidential politics in 1992. The Clinton campaign's sensitivity to such stories dates to last February, when former cabaret singer Gennifer Flowers told the *Star*, a supermarket tabloid, that she had had a 12-year affair with Clinton. Clinton denied her allegations, but they triggered a frenzy of media inquiries.

Palladino's work also brings up the issue of private investigators in presidential politics

-- an issue that gained attention last month after disclosures about Ross Perot's past use of detectives to investigate business and political rivals.

According to Wright, the use of Palladino is a counterstrike against the tabloids, as well as against persons associated with the Republican Party who she said she believes are stoking the fires. Palladino is trying to help "figure out where and why some of these charges are being leveled," Wright said. She said that is vastly different from "opposition research" operations designed to uncover embarrassing information about a political opponent.

"I don't think I've used him {Palladino} on anything except bimbo eruptions," Wright said. "We're trying to do a self-defense thing as opposed to finding out about" rival candidates.

Palladino's office last week referred inquiries to Wright. She said that Palladino was originally hired last April through Jim Lyons, a Denver attorney who chairs a lawyers committee for Clinton and whose firm is performing legal work for the campaign.

About \$28,000 in payments to Lyons's law firm, the Rothgerber firm, included on Clinton's May report to the Federal Election Commission, were actually payments for expenses and fees to Palladino, Wright said. This month, she said, Palladino was retained directly by the campaign but expenses for him will not show up until Clinton's FEC filing next month. Wright described the payments to Palladino as "legal expenses."

"He has the skills as an attorney to interview witnesses that I don't have," she said.

In recent months, Palladino's activities have helped the Clinton team douse a number of stories that threatened to revive the issue of the governor's private life. Shortly before the Democratic convention, for example, the Clinton campaign learned that the New Alliance Party, headed by Lenora Fulani, was planning a news conference at which a 53-year-old former Miss Arkansas named Sally Perdue would claim she had had a brief sexual affair with Clinton in the fall of 1983.

Perdue has no corroboration for her account, and Clinton denies even having met her. Earlier this month, Palladino and his wife and partner, Sandra Sutherland, began calling former associates and estranged relatives of the woman seeking damaging comments about her credibility.

One estranged relative, who disputed Perdue's story and made disparaging remarks about her character, said that Palladino "asked me if I would be willing to comment {about Perdue} to any reporters." The relative agreed, on a "case-by-case" basis, and since then the Clinton campaign has passed out his name as well as those of others to journalists making inquiries about Perdue's allegations.

The approach appears to have worked. Although Perdue later told her story on the nationally syndicated show hosted by Sally Jesse Raphael, no major news organization has reported the account. After looking into her story, the National Enquirer in its upcoming issue focuses on the role of the New Alliance Party in promoting Perdue. "Weird Cult Out to Destroy Clinton," reads the Enquirer's front-page headline on the matter.

National Enquirer editor Dan Schwartz confirmed the six-figure offers cited by Wright, saying that his newspaper is willing to pay "top dollar" for stories about the private life of Clinton -- or President Bush and Vice President Quayle. "We're interested in people's histories -- and selling newspapers," Schwartz said.

But he stressed that the stories must be "documented." In the case of Perdue, after negotiating to buy the rights to her story, Schwartz said, the newspaper concluded "that story is largely unprovable."

Last April, Palladino punctured another story about Clinton being circulated by controversial Little Rock private detective Larry Case. Case said in a recent interview that he had been paid more than \$500,000 by "three separate news organizations" to check out "issues" relating to Clinton's behavior. As part of his work, Case taped an interview with a 38-year-old Oklahoma City woman who claimed to have had an extended affair with Clinton in the 1980s.

Shortly after the interview, Palladino flew to Oklahoma City and took a three-page affidavit from the woman flatly denying the account. The woman said in a recent interview that she told Palladino she had never met Clinton and that she had been "tricked" by Case after she had had surgery to remove a brain tumor. The tumor had caused her to suffer from "amnesia" and a "multiple personality disorder," accounting for her willingness to agree to Case's suggestions that she had had an affair with Clinton, the woman said.

Last week, after the woman contacted the Clinton campaign saying she had been told her life was threatened if she didn't change her story, the campaign provided a private investigator to accompany her when she reported the incident to the police.

Wright said the investigations also have uncovered new evidence, including "an affidavit or two," that will link Flowers to Republican Party operatives. But Wright declined to share her evidence. "I'm not prepared to say what I'm going to do with it," she said.

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