

TO: SSA A-1, BRAD WAMBACH

January 11, 1996

FROM: SA M. DENNIS SCULIMBRENE

SUBJECT: Your request re WMFO'S Liaison Office at the White House

BACKGROUND:

The General Accounting Office completed a report, PASS AND SECURITY CLEARANCE DATA FOR THE EXECUTIVE OFFICE OF THE PRESIDENT, dated October 19, 1995. To my knowledge, this is the first time any outside agency has investigated the process in which this squad participates. The report is short, and I would recommend reading as an overview.

Office space in the OEOB has been provided to the FBI by the Executive Office since the Johnson Administration (1964) primarily for the purpose of conducting background investigations of White House staff.

FBI-HQ was also given access to this office, and in practice, this policy was continued until FBI-HQ dissolved the OLIA office shortly after the current Director took over.

GEORGE SAUNDERS and ROBERT CRONIN both retired, and myself have represented the Washington Field Office as the senior agent. The selection of the senior agent required the approval of the SAC. The selection of others assigned to this office historically utilized the input of the senior agent. This practice has more or less been abandoned.

Periodically, this office has been utilized for important non-applicant work, including criminal and intelligence efforts for both the field and FBI-HQ.

At this very moment, the operation of this office; its duties and obligations to both the White House and the FBI may become an object of a congressional inquiry relating to the firing and trial of BILLY DALE.

This Agent has requested numerous times, that formal guidelines be provided to this office establishing lines of authority and procedure. Although such guidelines have been promised, none have ever been provided.

When I became the Senior Agent in 1986, I determined the following: Under Executive Order 10450, which established basic security standards for the Executive Office of the President as well as other Federal Agencies, the President was not obligated to have the FBI conduct those investigations. The basis for the FBI conducting these investigations was based on the original request from President JOHNSON to then Director HOOVER. I was able to obtain a copy of the formal agreement between the REAGAN

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administration, as well as the agreement between the BUSH administration. So far as I can determine, no such agreement was made by the current administration. Of course, I am not in a position to know, and one may exist.

Based on the copies of the agreement that I provided to the Squad A-1 supervisor in 1988, these agreements are very brief and general. The FBI agrees to conduct the investigations, and basically the standards of interviews, questions asked and deadlines are up to the discretion of the FBI.

I would make the following observation at this point. Generally speaking, I have not heard any serious complaints about the FBI's work product from anyone at the White House, from any administration.

A completely different view comes from FBI-HQ however. For example, during 1993, the first year of the CLINTON Administration, I could prove that our completed cases sat at the White House waiting for adjudication. Pass and Identification at the White House Secret Service could verify this, as well as the recently completed GAO report on this subject. Furthermore, one of the reasons HQ cites as a reason for the FBI's delay was the fact that the SF-86's were not completed correctly or in a timely manner. The burden for correcting the SF-86's fell on the Field.

On page 6 of the GAO report, the FBI-HQ claimed that it extended its own deadline from completing a report from 45 to 60 days in because of "increased overall caseload and reduced resources." I submit that a more accurate representation would have been as follows: "The SF-86's received from the CLINTON administration were routinely not completed correctly, and many cases obviously required additional information." I do not believe that numbers would support the FBI's statement that the caseload increased substantially from previous transition years.

On page 25 of this report, additional reasons are provided for the failure of the FBI to met its deadline goals. They sight limited investigative resources. If this is true, then FBI-HQ should not have faulted A-1 and its supervisor during the last inspection since allocation of resources is a headquarters function.

During 1993, Squad A-1, and the White House agents in particular were singled out as a root cause of delinquencies by the SIU. However this report confirms that FBI-HQ told the GAO that SF-86's that were not properly completed or submitted on time. Why did FBI-HQ accept incomplete SF-86's and then pass them on to the field to correct? I submit that FBI-HQ failed in its responsibility and tried to shove some of the blame on the Field during the inspection. And if resources are limited, then a more

expeditious use of those resources must be utilized. Examples of the poor use of field agent time can be provided.

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On page 21, note the time that the Clinton Administration took to approve a permanent pass. In 1993, it was an average of 356 days from the date the person entered duty until a permanent pass was issued. Clearly, in 1993, the current administration was not in any hurry for the completion of these backgrounds.

When SUI states "The White House wants this, or wants it now," was clearly a fabrication of the real circumstance.

I submit that FBI-HQ does what it want, when it wants, and uses the field as an excuse for its own fumbles. Until a Management system is in place where all the accountability is placed on the field, and none on SIU, the process will remain flawed. FBI-HQ uses field manpower with no accountability, and for years, the Field managers has allowed this process to continue because the applicant program is the bastard child of the Bureau. It is the squad where the weak, the lame and infirmed are systematically assigned.

Since the passage of Public Law 103-329, the situation has improved at White House which requires the timely and correct submission of the SF-86. FBI-HQ should have provided the leadership to the new administration regarding this function rather than passive acceptance of the SF-86's as they were originally completed.

On at least one occasion, FBI-HQ attempted to withdraw from this obligation, and place the burden on Secret Service or OPM. That effort failed, and since that time I have witnessed the demand for background investigations increase to include all the members of the Executive Office, including non-government contractors, GSA employees and volunteers. The backgrounds were also conducted on all OMB employees, USTR, ONDCP, CEA and OSTP employees.

CURRENT STATUS

As you requested on 1/5/96, I attempted to learn whether the current administration has a formal agreement with the FBI regarding background investigations. According to GEORGE SAUNDERS and ED HUGHES who works in the White House Security Office, there is none. I recall that during the beginning of this administration, I asked WILLIAM KENNEDY who was the Associate Counsel who handled the investigation review. He said that the administration was continuing the agreement established by the

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BUSH administration. He said " we wouldn't want to change anything in this area, least anyone conclude that we were not as interested in security as the BUSH administration."

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Currently, all work submitted to the FBI for the purposes of a name check and/or background investigation comes through the White House Personnel Security Office currently headed by CRAIG LIVINGSTONE. LIVINGSTONE is a political appointee. His mother and MRS. CLINTON are personal friends. He has two other employees in this office, and also uses the services of GEORGE SAUNDERS on a contract basis.

The SF-86's are submitted to the appointees and others by this office, and are then picked up on a daily basis by a courier from FBI-HQ. This office has the responsibility to ensure that the SF-86 is filled out correctly and on a timely basis.

The White House Personnel Security Office also deals with other administrative/security officers, and acts as a conduit for the submission of the SF-86's. The other primary personnel security office is run by CHARLES EASLEY, who is a career employee. EASLEY and a subordinate handle the submission of SF-86's for all the other offices within the Executive Office of the President, including the Office of Administration, the Office of Management and Budget, the Office of Science and Technology Policy, the Council of Economic Advisors, the United States Trade Representative, the Office of National Drug Policy, The White House Fellowship Office, and the various contractors including Planing Research Corporation which is the prime contractor for computer services used by the entire complex.

The National Security Council has a career employee, GLENN YORKDALE who makes his requests directly to the FBI and uses our background investigation as a basis of providing the clearances that are granted for NSC staff.

GSA submits its requests to the White House Security office. Currently, there is a vacancy in the administrative person who handles these requests. JETER MORRIS is the contact person that I would recommend as having the ability to discuss any security matter.

After a background investigation has been completed, a SUMMARY REPORT is given to the White House. Generally this is a short page to page and a half. If derogatory information was developed, the report may contain relevant 302's.

The decision to make an appointment or provide a permanent pass depends on the person, and position. In general, CRAIG LIVINGSTONE orders Secret Service provide a permanent pass.

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For Presidential appointee's, various members of the Counsel to the President have the review responsibility. Ultimately, this power rests with the Counsel to the President, currently JACK QUINN. However, relatively few matters are decided on his desk.

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Should the White House request further investigation or have any questions of the FBI, CRAIG LIVINGSTONE or CHARLES EASLEY would make the request in 99% of the cases.

Although no official responsibility exists between the FBI and Secret Service, situations have arisen which necessitated contact between this agent and Secret Service. ARNE COLE is the Secret Service Supervisor of the Pass and Identification Department at the White House. This office provides the passes at the request of the Administration. This office has the final veto, seldom used on whether a person receives a pass.

This is brief overview of the current situation at the White House.

On Thursday, August 10, I was informed that I had been selected for a random drug test. The timing of this test could not have

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caused even the most non-paranoid person pause. I had just questioned the character and intelligence of Dave Bowie who had threatened me with an OPR, and had questioned the fairness of the whole structure of the FBI when I told Shubert I did not trust him, or anyone in management based on past experience. It could be a random test, but it could be another subtle hint to shut up. The casualness of the test was not reassuring either, it was almost as if, they didn't care whether I really pissed in the bottle.

Friday, August 11. A C-2 Agent from called and said Shubert wanted me to be interviewed by him, relating to the Travel Office. I persuaded him to meet me at 10 AM Monday at the OEOB. BECKER did not seem to have a clue. He seemed happy to get in the OEOB.

Cindy Skolnik was the only one in the office. She said "changes were going to be made at the White House." I told her that I would probably be going before she left.

I went to room 84, and hoped that I would not see Craig Livingston. However Livingston told me Skolnic was in to see him earlier. She said she was aware a complaint was made against her, and she in turn wanted to make a complaint. Livingston told her that Burke had requested that all complaints about any White House agents be relayed to him. Livingston said that he told Skolnic that he usually would inform me, or when I was on extended SL, he would tell Gary, because he felt comfortable with us.

I went to see Terry Good and/or Lee Johnson. Good was sick. Johnson and I had a personal chat. I told him that I wanted to talk to him, and it was not a matter that I was officially instructed make. I said the matter was a possible personnel action against me, because of my interest in Billy Dale and the Travel Office. I said that he could ask me to leave, or not answer any of my questions. He said "this matter made him regret that he was a Democrat." And he was troubled by the course of events.

I said that I wanted to refresh my memory. I asked whether it was he, Terry or both who made a call to me regarding the Travel Office after the White House announced that everyone had been fired. Johnson said he could not recall, who made the call, but in any event, they both wanted to talk to me, and ask my advice about the travel office and the documents within. Good said that he had been a veteran of the Watergate investigation, and recalls how important securing potential evidence had been.

Johnson said that the office was open, and people were coming and going without notice of who entered and left the office. Johnson recalls that Catherine Cornelius had requested three boxes to secure some records, but she nor anybody else came for them. Johnson said that the situation was unusual because ordinarily,

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directions would come from someone who represented the administration. Johnson said that their official function was to catalog, secure and record the public records of each administration. He said this was a statutory requirement, and not a requirement that could be ignored. The release of these records could be limited or refused based on legal interpretation of the request, by all records were the property of the United States government. Johnson said that approximately four days after the firing, and finally wrote a memo to John Podesta, the Staff Secretary, requesting what the Records office should do with the records within the Travel Office. Johnson said that he made a telephone call to Podesta's Office a number of times, and could not reach anyone. Finally, someone, Johnson guessed to be an immature intern said he would pass the message along. Johnson recalls this person asked whether he was a Republican. To this day, neither Podesta nor anyone in the Administration has officially responded to this message.

Johnson said that the next and last significant event involving himself and the Records office occurred when he was at a meeting in Bill Kennedy's Office. He recalls officials from the FBI attended the meeting. Johnson was not certain whether Terry Good attended this meeting. Johnson said that he had presumed that he was attending the meeting to be given instructions regarding the disposition of the Travel Office records. Johnson did not recall being asked any questions by anyone, either the FBI or the Administration. Johnson said that he was neither an attorney or an investigator, but he felt that the question involving the custody of the records should have been addressed. Johnson believes that the Administration represented a false situation to the FBI regarding the custody of the records.

Johnson retrieved the document he sent to Podesta, but would not allow me to have a copy.

I recall when I was driving home and learned that Potts and 3 others were going to get in trouble about messing with documents and subverting an important investigation. It made me feel more comfortable that my growing suspicious about the character of FBI management has been correct. Sadly, my prediction that being an X FBI agent was going to be like being an Veteran shortly after the Viet-nam war.

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