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HEADLINE: Two Secret Service Agents Who Testified About FBI Files Are Under Investigation

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BODY:

Two Secret Service agents whose testimony in the FBI files controversy rankled the Clinton White House were told last week they are under "potentially criminal" investigation by the Treasury Department's inspector general.

The two agents, John Libonati and Jeffrey Undercoffer, learned of their status two days after a Republican senator asked Treasury Secretary Robert E. Rubin to make them available for a briefing on a Secret Service document that supports GOP suspicions about the files. They have been the service's designated experts on the controversy.

The senator, Charles E. Grassley of Iowa, denounced the Treasury inquiry and charged that "once again, this administration is misusing law enforcement to achieve political ends. . . . The White House thinks that it can snuff out the truth by snuffing out the messengers of truth."

Confidential FBI background reports on hundreds of Republicans were wrongfully obtained by the White House Office of Personnel Security in 1993. The White House has claimed the acquisitions were an innocent mistake, stemming from the use of outdated Secret Service lists. But a former executive assistant in the personnel office contradicted that in Senate testimony Oct. 4, saying "everybody in the office knew" they were obtaining files on people who no longer worked there.

The aide, Mari Anderson, said a Secret Service list she picked up in September 1993 contained many such names, including those of President George Bush's secretary of state, James A. Baker III, and Bush's press secretary, Marlin Fitzwater. She said she struck out those names and told the others in the office to strike out any names they recognized as Bush appointees.

The document Grassley wanted to ask Libonati and Undercoffer about, recently provided to congressional investigators, appears to corroborate Anderson. It is an Aug. 1, 1993, Secret Service list with the names of dozens who no longer worked at the White House, including Baker's and Fitzwater's, stricken out, although in markings of a different color than she recalled using.

White House associate special counsel Mark Fabiani denied any White House role in the Treasury investigation. A Treasury spokesman, assistant secretary for public affairs Howard M. Schloss, said it was prompted by "written requests" from Rep. Cardiss Collins (D-Ill.), the ranking minority member of the House Government Reform and Oversight Committee, and Sen. Ted Stevens (R-Alaska), chairman of the Senate Governmental Affairs Committee.

Collins wrote Rubin on Sept. 25 complaining about testimony by Libonati and Undercoffer at a House hearing in July to the effect that "it was impossible for the Secret Service to have been responsible for the outdated lists" used by White House investigator Anthony B. Marceca. She said still another Secret Service list that recently came to light last month suggested their testimony was "erroneous" and she asked Rubin to "direct the Inspector General to investigate the preparation" of the Secret Service testimony at the July hearing.

Collins said in a statement yesterday, however, that she did not want "a criminal investigation." She said any idea she tried to keep the Secret Service "from providing information to Congress is simply wrong."

Stevens posed questions about the Secret Service role in the files dispute in a June 18 letter to Treasury Inspector General Valerie Lau, but that was a month before Libonati and Undercoffer testified.

At the White House, Fabiani, when asked about the Treasury investigation, said that "this is the first time we heard about the matter." He said he had seen the Collins letter, but "other than that, we don't know anything about it and don't have anything to do with it." Fabiani said the letter was publicly distributed.

An aide to Collins disputed that. "We did not give the letter out," he said. "We sent it to Rubin."

Libonati and Undercoffer declined to comment, but their lawyer, former deputy attorney general Arnold I. Burns, said the two men were longtime professionals whose testimony "was vetted by the agency and supported by the agency."

GRAPHIC: Photo, ray lustig, Testimony by Secret Service agents Jeffrey Undercoffer, left, and John Libonati on the FBI files controversy rankled the Clinton White House.

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