

Through it the Clintons and McDougals bought 230 acres "of Ozark Mountain vacation property and planned to sell it in lots. During this period, the Clintons appear to have invested little money, so stood to lose little if the venture failed, but might have cashed in on their 50% interest if it had done well." [New York Times, 3/8/92]

"The \$20,000 down payment [for Whitewater] came from an unsecured loan at a Little Rock bank whose board of directors included Clinton's top campaign finance official that year, Walter A. DeRoock." [Washington Post, 11/4/93]

1979:

Bill Clinton took office as governor of Arkansas. James McDougal joined his administration as an economic development aide. He soon left and bought the Bank of Kingston in northern Arkansas, and Madison Guaranty Savings & Loan near Little Rock. [New York Times, 11/2/93]

Mid 1980s:

From assets of \$6 million, Madison S&L had now grown to over \$100 million. It opened a branch near the state house in Little Rock. [New York Times, 11/2/93]

"Under McDougal's control, loans to S&L officers, directors and executives grew from \$500,000 to \$17 million." [Washington Post, 11/4/93]

1983:

McDougal's Kingston Bank came under investigation with regulators. Governor Clinton's banking commissioner advised him that James McDougal, his friend and associate, was engaging in questionable banking practices. [New York Times, 11/2/93]

1984:

"Because of end-of-campaign jitters Bill Clinton repeatedly turned to banking friends for 11th hour infusions of campaign funds. In 1984, for example, he took out a \$50,000 personal loan from the Bank of Cherry Valley, which was owned by a longtime campaign fund-raiser and political mentor, W. Maurice Smith Jr." [Wall Street Journal, 12/17/93]

1984&1985:

Check records show that while Whitewater Development continued to post losses, it had frequent and large negative balances in its account at Madison. [New York Times, 11/2/93]

The RTC, in its examination of these records, "has suggested that [Whitewater] was used by the Clinton's business partners [the McDougals] in a check kiting scheme to drain funds from the thrift." [Washington Post, 11/11/93]

By facsimile machine:

To: Prudential Securities Sales Force
From: Mark Melcher
Re: Arkansas S&L problems
Date: December 22, 1993
Pages: 14

Attached is an updated (as of Dec. 22, 1993) chronology of the Madison Savings & Loan controversy, which by some news accounts could involve Bill and Hillary Clinton. It was prepared by my research assistant David Tappan and myself from news clippings from what we consider to be respectable sources. The original version was sent to you on November 30th.

As I said when I send out the original version, the purpose of this exercise is not to spread rumors about the Clintons, or to invent problems for them. It is in response to numerous questions from clients as to the exact nature of the allegations raised against them. The problem I encounter when trying to answer these questions is that the situation is enormously complicated. This makes it virtually impossible to provide a client with a satisfactory oral description of all the various facets of the situation.

Most clients are not particularly interested in a judgement from me as to the likely outcome of this affair. Instead, they would rather have a fairly detailed account of the matter, so they can make up their own mind as to whether it is serious or not. This is what David and I have tried to prepare.

It is entirely up to you whether you want to distribute this to clients now, or just have it available in case the issue comes up. Give me a call if you have any questions.

The following is a Chronology of The Madison Guaranty S&L Affair, put together from published sources by Prudential Securities Washington Research.

Dramatis Personae:

Paula Casey- The U.S. attorney in Little Rock, to whom the RTC's allegations were initially referred. She later recused herself because she worked on the Clinton campaign.

David Hale- A Democratic municipal judge in Little Rock, he ran Capital Management Services, a federally sponsored loan company for "socially disadvantaged" businesses. He is currently under indictment on charges connected with his management of Capital Management Services, but not connected with the Madison controversy.

James M. Lyons- The Denver attorney who investigated the relationship between the Clintons and Madison S&L for the Clinton campaign.

Donald Mackay- A career prosecutor in the Justice Department who was chosen recently to replace Paula Casey as head of the investigation of the Arkansas S&L. He currently heads the Fraud Division at Justice.

James B. McDougal- Owner of the Madison Guaranty Savings & Loan, an old friend of Bill Clinton, and an economic development aide during Clinton's first term as governor.

Susan McDougal- James' ex-wife. She was his wife during the period in question, and is implicated in several aspects of the affair.

Bill & Hillary Clinton.

Late 1960s:

Bill Clinton and James McDougal met while both were working for Arkansas Democratic senator J. William Fulbright, chairman of the Senate Foreign Relations Committee.
[New York Times, 11/2/93]

1976:

Bill Clinton was elected Attorney General of Arkansas.

1978:

Whitewater Development Corp., a land investment company, was formed by Bill and Hillary Clinton and James and Susan McDougal, to develop land in the Ozarks.
[Washington Post, 10/31/93]

1st half of 1985:

"Madison Marketing, a McDougal family business that derived all of its revenue from the savings and loan, provided the funds for Whitewater to make a \$7,322 payment on a loan taken out by Mr. Clinton from another bank, according to bank records."
[New York Times, 11/2/93]

January 1985:

Clinton appoints Beverly Bassett Schaffer, "a Little Rock Lawyer who had previously represented Mr. McDougal's troubled institution" as the new state regulator in charge of savings & loans. [New York Times, 12/15/93]

March/April 1985:

Days before holding a fundraiser for Bill Clinton, James McDougal learned that Madison was being scrutinized by federal regulators. "They were concerned by the savings and loan's rapid growth and the failure to have on hand enough capital to meet Federal requirements." [New York Times, 11/2/93]

April 4, 1985:

James McDougal, at Bill Clinton's request, helped organize a fund-raiser to pay off the \$50,000 personal loan made to Clinton by the Cherry Valley bank to help finance his 1984 campaign. [New York Times, 12/15/93]

McDougal contributed \$3,000—the U.S attorney is today investigating questions as to the source of these funds. At that same fundraiser, a number of checks were made out to Bill Clinton or his campaign fund; these were deposited at the Bank of Cherry Valley in Clinton's campaign fund. Some of these checks are now being investigated as to their sources, and where the money went. [Washington Post, 10/31/93]

"Ken Peacock, then a 24-year-old college student, said in an interview he was surprised to learn from The Washington Post that his name is on a cashier's check collected at an April 4, 1985, post-election fundraising event." Peacock's father was a "major Madison borrower and a member of the thrift's board of directors." [Washington Post, 12/16/93]

"The investigators traced checks totalling \$12,000 from Madison to the Clinton campaign's accounts at the Bank of Cherry Valley. Those checks were issued on April 4." [New York Times, 12/15/93]

"Betsey Wright, manager of the 1984 campaign, said \$25,000 to \$30,000 was raised at the party, and that the remainder of the \$50,000 loan . . . was covered with contributions from other Clinton supporters." [Wall Street Journal, 12/17/93]

April 1985:

The New York Times reports that the U.S attorney is investigating whether "more than \$250,000 in business loans was improperly diverted from Madison in April 1985 to

several sources, including Mr. Clinton's re-election campaign for governor." [New York Times, 11/2/93]

The Washington Post reports that "Whitewater issued 10 checks for more than \$70,000. Several were written to the Bank of Cherry Valley, where Clinton had a campaign account . . .

"Five of the checks issued by Whitewater's account and totaling more than \$60,000, were overdrafts that eventually were covered by funds from other alleged shell corporations, or from Madison Financial Corp., the S&L's wholly owned real estate subsidiary.

"One \$30,000 check was issued on Whitewater's account to McDougal with the notation 'loan repayment,' though sources said the RTC found no records of any loan from McDougal.

"That check resulted in an overdraft that was covered by a deposit of \$30,000 from Madison Financial Corp (MFC). In April 1985, according to S&L documents, MFC deposited \$30,000 directly into Whitewater's account as a "prepayment" on a 1985 bonus to McDougal, MFC's president." [Washington Post, 11/11/93]

Spring 1985:

Hillary Clinton, then working at the Rose Law Firm, did legal work for Madison when it petitioned the State Securities Commission. [Washington Post, 10/31/93]

Rose Law Firm was not their usual outside counsel. For 15 months beginning in 1984, Hillary Clinton accepted a \$2,000 a month retainer in this matter . . . McDougal said he hired Hillary Clinton as a lawyer at the urging of her husband. [Los Angeles Times, 11/12/93]

The Commission was considering whether to declare Madison S&L insolvent. The members of the Arkansas State Securities Commission had been appointed by Bill Clinton. The Commissioner's brother was Gov. Clinton's campaign manager. [Washington Times, 11/11/93: Paul Craig Roberts]

"With Hillary Clinton acting as an attorney for Madison, in April, 1985, the S&L appealed to the [State Securities] commissioner [Beverly Bassett Schaffer] who only weeks earlier had been appointed to the job by Gov. Clinton." [Los Angeles Times, 11/12/93]

The new state commissioner appointed by Clinton "had been a lawyer in a firm that represented the savings and loan. Mr. Clinton and the commissioner deny giving any preferential treatment. The new commissioner approved two novel proposals to help the savings and loan that were offered by Hillary Clinton, Governor Clinton's wife and a

lawyer. She and her firm had been retained to represent the association." [New York Times, 3/8/93]

Rose Law Firm lawyers argued before the commission that Madison ought to be allowed to proceed with an unusual stock offering in order to remain solvent. [Washington Times, 11/11/93]

May 1985:

Arkansas regulators approved the stock issue plan; however, it was never carried out. [New York Times, 11/2/93]

The New York Times says that prosecutors today [1993] are examining whether the April campaign contributions were "linked to efforts by Madison to win state approval for an unusual plan to raise new capital by issuing stock." Madison came up with this plan in order to satisfy federal regulators who were concerned about Madison's financial stability. [New York Times, 11/2/93]

Fall of 1985:

Federal regulators scheduled an audit of Madison S&L for early 1986. McDougal was aware of this. [New York Times, 11/2/93]

End of 1985:

According to McDougal, Clinton helped set up a state revenue office in a building owned by a subsidiary of Madison. [New York Times, 11/2/93]

November 1985:

Jim McDougal wrote a check drawn on Whitewater's account to pay the principal and interest on a personal loan owed by Bill Clinton to Security Bank of Paragould, Ark. . . . "It is not clear why Mr. McDougal would pay off a debt owed by Mr. Clinton that, according to the records, had nothing to do with Whitewater." [Washington Times, 11/4/93]

Late 1985:

David Hale, a Democratic municipal judge in Little Rock, and owner of a federally sponsored lending company, was approached by James McDougal "to make loans that would help the 'political family' of Arkansas Democrats." [New York Times, 11/2/93]

As the owner of a SBA-sponsored "specialized SBIC [Small Business Investment Company]," Hale was only legally allowed to lend money to "disadvantaged" business owners. [Wall Street Journal, 11/5/93]

February 1986:

Madison financed a land deal for David Hale, in which he was paid hundreds of thousands more than the land was worth. "This loan was never repaid, with a loss of \$672,000 to taxpayers." [New York Times, 11/2/93]

February 1986:

David Hale has claimed (in 1993) that in Feb. 1986, he met with Bill Clinton at the state Capitol to discuss getting a loan from Hale. "He said the governor asked him on that occasion: 'David, are you going to be able to help Jim and me out?'" [Washington Times, 11/4/93]

"Bill Clinton also urged him to help, Hale said." [Los Angeles Times, 11/12/93]

March 1986:

"He said he met a second time, in March 1986, with Mr. Clinton and Mr. McDougal at Mr. McDougal's office to discuss how the loan was to be structured. Mr. Hale said the two men told him they needed to 'clean up' financial problems at Madison . . .

"They decided the check would be made out to Mrs. McDougal to make sure a woman's name would appear on the SBA loan application.

"They all knew Mrs. McDougal did not legally qualify for the SBA loan, Mr. Hale said, and at this second meeting Mr. Clinton told him that the Clinton name could not be associated with the deal 'anywhere in this, anywhere at all.'" [Washington Times, 11/4/93]

Early 1986:

David Hale made a \$300,000 loan to Susan McDougal. Hale, testifying in relation to his present unrelated indictment, claims that James McDougal told him that the money would be used to cover up certain dubious Madison transactions, including support to the Clinton campaign. He further claims that Bill Clinton personally pressed him to make the loan. [New York Times, 11/2/93]

White House spokeswoman Dee Dee Myers has responded to questions about David Hale's allegations with derision. She says that the President has no recollection of any meetings with Mr. Hale, or of any efforts to pressure him to give an SBA loan to Mrs. McDougal. "She suggested that Mr. Hale lied to reporters. 'He tried to make a deal on the eve of his indictment to save his butt,' Miss Myers said. 'I think you have to question the motives of some people.'" [Washington Times, 11/4/93]

1986:

"Hale said he made a series of loans, totaling \$700,000, to [then Arkansas Lt. Governor Jim Guy] Tucker, to McDougal's wife and to Stephen Smith, a former Clinton aide and political consultant." [Los Angeles Times, 11/12/93]

David Hale's Capital Management Services, Inc. is legally permitted to lend only to "socially or economically disadvantaged" business owners. [Wall Street Journal, 11/5/93]

Late 1986: "Mr. McDougal was removed from Madison's affairs by Federal and state regulators." [New York Times, 11/10/93]

Early 1987:

James McDougal was ousted from Madison under pressure from federal regulators. [Washington Post, 11/4/93]

Late 1987:

Jim McDougal today claims that in late 1987 he sent all Whitewater records and files to Hillary Rodham Clinton at her request. [Washington Times, 11/4/93]

"The Clintons and Mr. McDougal disagree about what happened to Whitewater's records. Mr. McDougal says that at Mr. Clinton's request they were delivered to the Governor's mansion. The Clintons say many of them have disappeared. Many questions about the enterprise cannot be fully answered without the records." [New York Times, 3/8/92]

November 28, 1988:

Hillary Clinton sent a letter to Jim McDougal, requesting that he sign an enclosed power of attorney for Whitewater Development Corp., so that she could "sell the property that is left and get out from under the obligations."

The power of attorney "included the power to endorse, sign and execute checks, notes, deeds, agreements, certificates, receipts or any other instruments in writing of all matters related to Whitewater Development Corp." [Washington Times, 11/4/93]

1989:

Madison Guaranty Savings and Loan failed, at an ultimate cost to the taxpayers of \$47 million. [Washington Post, 11/4/93]

1990:

James McDougal was acquitted of bank fraud charges relating to bonuses and profits he received from real estate deals involving the development subsidiary, Madison Financial Corp. [Washington Post, 10/31/93]

March 1992:

The New York Times printed the first public allegations regarding the Clinton's association with James McDougal and Madison Guaranty.

Presidential campaign, 1992:

Bill Clinton faced questions about "whether his administration in Arkansas gave favorable treatment to Madison S&L" when it was seeking permission to raise money "in new ways." [Washington Post, 10/31/93]

Hillary Clinton faced accusations of conflict of interest for her representation of Madison S&L in the mid-1980s. [Washington Post, 10/31/93]

Bill and Hillary Clinton were questioned by the New York Times concerning \$5,133 in improper personal income tax deductions for interest on their Whitewater mortgage. It was improper because the land had been purchased from the Clintons and the McDougals by the Whitewater Development Corporation.

The Clintons claimed that the deductions were a mistake resulting from their "passive involvement" in the Whitewater transactions. [Washington Times, 11/4/93]

To dispel media suspicions, Denver lawyer James Lyons investigated Whitewater at the behest of the Clinton campaign. He concluded that the venture lost money, that theirs was only a "passive interest" and that the Clinton's had done nothing illegal or unethical. [Washington Post, 10/31/93]

December 1992:

"The Clintons sold their virtually worthless interest in Whitewater back to McDougal. The transaction was handled by the then Little Rock lawyer Vince Foster." [Newsweek, 11/15/93]

March 23, 1993:

"All U.S. attorneys held over from the previous administration were asked today to submit their resignations so President Clinton can put his own people in place, Attorney General Janet Reno said." [Associated Press, 3/23/93]

Paula Casey, "a long-time associate of Bill and Hillary Clinton and other Arkansas pols," was appointed to replace the outgoing Republican U.S. attorney in Little Rock. [Wall Street Journal, 12/15/93]

July 30, 1993:

In a bizarre coincidence, a federal magistrate in Little Rock, Arkansas authorized a search warrant for the office of David Hale on the same day that Vincent Foster, by then White House deputy counsel, committed suicide. "Just before Foster's death . . . the lawyer who wrote the Whitewater report during the campaign--Lyons--talked with Foster several times on the phone."

"In an interview . . . Lyons acknowledged he called Foster several times 'shortly' before his death. He insisted that he did not discuss Whitewater with Foster. He said they talked about personal matters and that other business he discussed would be covered by Lyons' attorney-client privilege with the Clintons. He attributed the numerous calls to Foster to the fact that Lyons was to visit Washington later that week and he and Foster were to have dinner."

"Lyons, who during the campaign helped Clinton successfully discredit the claims of several women who said they had relationships with Clinton and with a number of other legal matters, was named by Clinton last month to a government advisory panel seeking peace in Ireland." [Chicago Tribune, 11/21/93]

"Fueling the speculation [that Foster's death was connected to "allegations of fraud and illegal campaign payoffs"] are two phone calls made to Mr. Foster at the White House on the morning of the day he killed himself.

"The telephone calls were received between 11 a.m. and noon . . . just before Mr. Foster left the White House for the last time. One call was from James M. Lyons . . . The other call was from the Rose Law Firm in Little Rock, where Mr. Foster and Hillary Rodham Clinton were once senior partners. Just who made the call is not yet clear." [Washington Times, 12/6/93]

September 1993:

David Hale was indicted on charges of SBA fraud, for making Small Business Administration loans unrelated to the one to Susan McDougal. [Washington Post, 11/4/93]

Early October 1993:

After protracted debate over whether to include information relating to the Clintons, RTC investigators based in Kansas City decided to send this and other information indicating possible criminal activities at the now-closed Madison Guaranty Savings & Loan, to the U.S. Attorney in Little Rock. [Washington Post, 10/31/93]

October 15, 1993:

U.S. Attorney Paula Casey in Little Rock received information forwarded by the RTC about possible criminal matters arising from transactions at the [defunct] Madison S&L. A summary of this information was also sent to the Justice Department. [Washington Post, 10/31/93]

October 31, 1993:

The Washington Post published the first article since March 1992 detailing the allegations. The article was occasioned by the RTC's criminal referral of allegations concerning McDougal to the U.S. attorney.

November 3, 1993:

Associate Attorney General Webster Hubbell, a former attorney for Rose Law Firm, which represented Madison S&L, recused himself from the Justice Department investigation of it. In a separate complication, it appears that Hubbell, while at Rose Law Firm, handled an FDIC case against the failed S&Ls accountants. The FDIC paid the firm \$400,000 for this work. [Washington Post, 11/4/93]

"Government conflict-of-interest rules generally prohibit lawyers from representing the government against a savings and loan for which they or their firms have done significant work. Hubbell said through a spokesman that he told the regulators in 1989 that Ms. Clinton had represented Madison Guaranty, but regulators reportedly have no record of any such disclosure by Hubbell or others at the law firm. In addition, Hillary Clinton's representation of Madison was not disclosed to thrift examiners in 1986, according to records. Bank regulators require such disclosure to identify key insiders at the institution." [Los Angeles Times, 11/12/93]

"A letter to the FDIC by a third Rose partner, Vincent Foster, made no mention of either Mr. Hubble or Mrs. Clinton's prior representation of Madison Guaranty Savings, and instead skirted the issue by stating the 'the firm does not represent any savings and loan associations in state or Federal matters.'" [Problem Asset Reporter, 11/15/93]

"The Rose Law Firm solicited legal work from the FDIC to sue Madison. Rose was selected to pursue Madison's accountants, Frost & Co. Rose settled the \$60 million suit for \$1 million. Sources claim the the \$1 million was below Frost's insurance coverage. Rose billed the government \$400,000 for its work. Webster Hubbell, now associate attorney general, was the lead attorney in the case." [Wall Street Journal, 12/15/93 -quoting from a letter from Rep Jim Leach (R) to Rep. Henry Gonzalez (D)]

In another complication, Webster Hubbell's father-in-law, Seth Ward, defaulted on over \$1,000,000 in loans from Madison to develop the Castle Grande project. [Los Angeles Times, 11/12/93]

November 3, 1993:

Bill Clinton called allegations concerning Whitewater Development Corp. "old news". [Washington Post, 11/4/93]

November 5, 1993:

U.S. Attorney Paula Casey recused herself from the continuing investigation of Madison, because of her "familiarity with some of the parties involved." A week earlier, she informed the RTC she "concurred" with the Justice Department's decision not to pursue the separate allegations concerning Whitewater Development. This despite the fact that she was a volunteer in some of the Clinton gubernatorial campaigns. [Washington Post, 11/11/93]

This also despite the fact that "her husband, Gil Glover, is chief counsel to the Arkansas Public Service Commission, a position he was named to by Mr. Clinton when he was governor of Arkansas." [Washington Times, 11/4/93]

November 9, 1993:

The Justice Department "today announced a change of prosecutors in the [Whitewater] case. The United States Attorney in Little Rock, Paula Casey, said she and her staff had stepped aside because of concerns about their impartiality. The Justice

Department selected Donald B. Mackay to investigate the Madison allegations, as a replacement for Paula Casey." [New York Times, 11/10/93]

Mackay has a reputation as "tough but fair", and "has spent years pursuing financial fraud." He "has served as a U.S. attorney for Republican administrations, a private practice lawyer and a state regulator the past two decades." [Associated Press, 11/11/93]

November 9, 1993:

"Henry Gonzalez, chairman of the House Banking Committee, due to requests from committee Republicans, said that staffers from his committee would look into the allegations against Madison Guaranty Savings & Loan." [New York Times, 11/10/93]

November 11, 1993:

The Washington Post revealed that the RTC "told federal prosecutors more than a year ago that Bill and Hillary Clinton and other principals in a dozen corporations doing business with Madison Guaranty Savings & Loan during the mid-1980s could possibly have benefited from the alleged [check-kiting] scheme [see 1984&1985], though there is no evidence they had direct knowledge of it . . .

"The Justice Department did not notify the RTC of its disposition of that referral until last month, when federal prosecutors declined to open a criminal inquiry [into the Whitewater aspect]. But federal prosecutors have decided to act on a second, more detailed request from the RTC to investigate similar allegations regarding Madison and its owner, James McDougal." [Washington Post, 11/11/93]

November 11, 1993:

"The Justice Department, citing a lack of evidence, has already rejected one of the [RTC] reports, that alleged a real estate venture once partly owned by President Clinton and his wife was used in a check-kiting scheme . . .

"The report, also known as a criminal referral, stated there was no evidence that the Clintons were aware of the transactions, the officials said. But it detailed dozens of examples of alleged check-kiting that allowed money from the failed S&L to be diverted to various sources in Arkansas, including Whitewater Development Corp . . .

"The Justice Department sent a veteran fraud prosecutor to Little Rock to take over the case. Department officials, speaking on condition of anonymity, said Thursday the rejected referral will not be re-examined." [Associated Press, 11/11/93]

November 18, 1993:

The Senate revived the law which authorized investigations of public officials by independent counsels. This law had expired last December because of Republican objections to independent counsel Lawrence Walsh's \$35 million Iran-contra investigation. With a few changes, Republicans have now changed their mind. The bill

goes to the House, which is expected to approve it early next year, and then to the president for signing. [Washington Post, 11/19/93]

November 22, 1993:

The White House appointed Washington Attorney Joel Klein to be Deputy Counsel to the President, replacing Vincent Foster. Klein is a first class, exceptionally well respected appellate lawyer.

December 9, 1993:

Henry Gonzalez ends "a month long investigation of Madison's collapse in 1987 without seeking to examine any government records . . . Mr. Gonzalez said in a statement he had determined that the facts of the case 'at this time do not warrant further investigation by the committee.'" [Washington Times, 12/15/93]

Mr. Gonzalez wrote to Rep. Jim Leach, ranking Republican on the committee, informing him of his decision. Jim Leach responded with a letter also dated December 9th, stating that "the minority feels strongly that there are a number of legislative aspects that relate directly to the failure and resolution of Madison Guaranty. . . Based on news accounts alone, the abuse of state powers and failure of state regulation that appear to exist in the Madison case warrants investigation in the context of addressing reform in the regulatory structure." [Wall Street Journal, 12/15/93]

December 10, 1993:

Rep. Gonzalez responded to Rep. Leach in a letter in which he says: "I will never permit the Banking Committee to become an instrument of any party's desire to conduct a purely political fishing expedition. Rest assured, the committee will continue to review this matter but, again, I will not permit Republican political operatives to set the agenda of the House Banking Committee." [Wall Street Journal, 12/15/93]

December 19, 1993:

"The Arkansas real estate agent who managed then-Gov. Bill Clinton's Whitewater land development company throughout the 1980s says he does not believe the venture was a money loser that cost Clinton and his wife tens of thousands of dollars, as the president and his aides have said.

'I don't see where they would have lost money,' said Chris Wade, who oversaw Whitewater's lot sales and development, helped arrange its financing, and collected monthly installment payments from buyers. . .

"Wade's comments, coupled with a Washington Post analysis of public land records, campaign documents, personal and corporate tax returns, and other interviews, add new complexity to the picture of Whitewater. . .

"Wade said he regularly deposited money from lot payments into Whitewater's account at a bank and was unaware of any serious financial problems faced by Whitewater. . .

"Federal tax returns show the Clintons eventually claimed no losses on their Whitewater investment. Instead, their 1992 returns show that after selling their stock back to McDougal last year for \$1,000 they reported a \$1,000 capital gain."
[Washington Post, 12/19/93]

December 22, 1993:

"The White House has confirmed that files related to Clinton's investment in [Whitewater Development] were found in the office of deputy White House counsel Vincent Foster after his suicide on July 20 and turned over to the Clinton's personal attorney."

"Questions about the Whitewater files were raised over the weekend after The Washington Post reported that a Park Police investigator recalled seeing files from Foster's office about McDougal." [Washington Post, 12/22/93]

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