

345329SS

C0072

# Withdrawal/Redaction Sheet

## (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06a. Memo	Case Number 345329SS From C. Boyden Gray to President Bush Re: Iraq Controversy (3 pp.)	07/09/92	(b)(1), P-5	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Records Management, White House Office of (WHORM)  
**Series:** Subject File - C.F.  
**Subseries:**  
**WHORM Cat.:** C0072  
**File Location:** 287965SS to 365241

<b>Date Closed:</b> 12/20/2002	<b>OA/ID Number:</b> 00002-001
<b>FOIA/SYS Case #:</b> 1998-0099-F	<b>Appeal Case #:</b>
<b>Re-review Case #:</b> 2004-1908-S	<b>Appeal Disposition:</b>
<b>P-2/P-5 Review Case #:</b>	<b>Disposition Date:</b>
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### RESTRICTION CODES

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PRM. Removed as a personal record misfile.

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(b)(9) Release would disclose geological or geophysical information

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ONE HUNDRED SECOND CONGRESS

## Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

2138 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-8210

July 9, 1992

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MINORITY=228-4806

The Honorable William P. Barr  
 Attorney General  
 U.S. Department of Justice  
 Washington, D.C. 20530

Dear Mr. Attorney General:

Pursuant to the Ethics in Government Act, 28 USC § 592(g), we, the undersigned, constituting a majority of the majority Members of the House Committee on the Judiciary, write to formally request that you, as Attorney General, seek appointment of an Independent Counsel to investigate serious allegations of possible violations of Federal criminal statutes by high-ranking officials of the Executive Branch. The potential criminal conduct in question relates to activities by both current and former officials to illegally assist the regime of Saddam Hussein prior to the August 1990 invasion of Kuwait, and to attempt to conceal information about potential criminal activity from Congress through the making of false statements, the nonproduction, falsification or alteration of official records and other documents, and through otherwise misleading and obstructing Congress in its investigation of such matters.

As you are well aware, this Committee -- as well as at least four other Committees in both the House and Senate -- has endeavored to examine the allegations described above through hearings, requests for production of documents, and requests for answers to questions propounded in writing. As a result of these congressional oversight efforts, as well as other information which has now entered the public domain, it appears that there may have been violations by persons in the White House and in various departments of the Executive Branch of government of provisions of the United States Code, including but not limited to: 18 USC § 371 (conspiracy to defraud the United States or commit an offense against the United States); 18 USC § 1001 (making a false statement); 18 USC § 1505 (obstruction of justice); 18 USC § 2071 (concealment or falsification of records); 18 USC § 1621 (perjury); 18 USC § 1341 (mail fraud); 18 USC § 1343 (wire fraud); and 18 USC § 207 (financial conflict-of-interest by high Executive Branch officials).

Obviously, the Legislative Branch is not constitutionally empowered to either prosecute wrongdoing or adjudicate illegality. For this reason, the enumerated list of potential criminal violations cannot be considered exhaustive, and certainly is not restrictive of the ultimate jurisdictional mandate of an Independent Counsel. Moreover, as the statute provides, the Independent Counsel should be charged with investigating and prosecuting all persons involved in criminal activities under § 591(a)-(c). Such persons would include at least all White House and other Executive Branch officials

The Honorable William P. Barr  
July 9, 1992  
Page 2  
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compensated at levels specified in subsection (b) of § 591 as well as other officials the investigation of which by the Department would present a conflict of interest within the meaning of subsection (c).

It should be noted that the growing imperative for this request is itself the result of the willful and repeated failure of the Executive Branch to comply with this and other Committees' requests for both documents and witnesses needed to shed light on the lines of inquiry clearly raised by Congressional investigations extending back to 1986. The failure of the Executive Branch to produce witnesses from the White House and National Security Council, the refusal of the Executive Branch to produce numerous requested documents from at least four agencies, and the failure of the Executive Branch to reconcile on-the-record contradictory assertions made by different Executive Branch officials before various Committees, have only reinforced our view that the Judiciary Committee needs to request an Independent Counsel with full subpoena and prosecutorial authority. In this regard, the contradictory Administration testimony is particularly troubling in the areas of the alteration of official records, the "formalized" procedures for screening or rebuffing Congressional requests for information, the possible diversion of government-financed loan proceeds for military purchases, and the apparent misuse of third country arms transfers to Iraq.

Finally, allegations of irregularities in the Department's handling of a host of investigations touching upon U.S. policy to Iraq must be considered carefully from the standpoint of the Ethics in Government Act. Of most obvious concern is the Department's actions in the Banca Nazionale del Lavoro ("BNL") litigation -- including the scope and timing of the indictment finally brought, the circumstances surrounding the appointment and recusal of the U.S. Attorney in the district in which the matter was handled, the possible political interference of high Executive Branch officials with the line attorneys handling the case, the possible delay or withholding of classified information from the Atlanta prosecutors, and the sudden and unexpected plea bargaining arrangement by the Department reached with defendant Paul Drogoul -- an arrangement which the presiding Federal district judge severely and publicly criticized as mysterious and unseemly, and in his view, warranting the appointment of an Independent Counsel. Because the Ethics in Government Act prudently contains a mechanism by which to avoid a situation where a Departmental investigation might result in a "personal, financial, or political conflict of interest" for the Attorney General or any officer of the Department of Justice (28 USC § 591(c)), we concur in this recommendation. And as you are further aware, this subsection would also apply to any possible criminal violation of persons in or outside of government who are not high-level Executive Branch officials as defined in subsection (b).

Despite your understandable and deserved pride in the generally high professional standards of the Department's personnel, both at Main Justice and in the field, the overriding need to reassure the American public that justice has, in fact, been done in the handling of this case would appear to militate strongly against the Department investigating its own handling of this most controversial matter in addition to the other allegations discussed above.

The Honorable William P. Barr  
July 9, 1992  
Page 3

We know of your abiding and sworn commitment to uphold the law of the United States. In the circumstances presented, we sincerely believe that the law as well as the public trust would best be served by the appointment of an Independent Counsel.

Sincerely,

Jan Brooks  
JAN BROOKS, Chairman

Don Edwards  
Q. J. Nagz

Chely Sed

Howard H. Berman

Tom Flikner

Pat Schroeder

Tim E. Wirth

Harley D. Stag

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Congress of the United States  
House of Representatives  
Washington, DC 20515

May 7, 1990

The Honorable Clayton Yeutter  
Secretary of Agriculture  
Room 200-A  
14th & Independence Ave., S.W.  
Washington, DC 20250

Dear Secretary Yeutter:

We are writing to inquire about the status of USDA approval of a \$500 million GSM-102 export credit guarantee allocation for Iraq. We understand that due to alleged transactional irregularities committed by the Atlanta branch of an Italian bank involving the GSM credit guarantee program that further allocations to Iraq have been held up by the Department of Agriculture.

While we would never want to hurt the integrity of the GSM credit guarantee program, the withholding of these credits will have a significant economic impact on our area. As I am sure you are aware, Iraq is the 12th largest importer of U.S. agricultural products and large export market for United States rice and wheat. Not only is the Houston area involved in rice growing, but the Houston ports play a key role in the exportation of rice and wheat.

Commodity shipments from the United States to Iraq have ceased in recent weeks due to the lack of credit guarantees. Before further setbacks for the rice and wheat industry and our ports are incurred, we would like to know when the Department of Agriculture foresees the investigation of the credit guarantee program as it pertains to Iraq coming to a conclusion.

Thank you for your consideration and timely response. We look forward to coming to an understanding with regard to this situation.

Sincerely,

Jack Brooks      Michael A. Andrews  
Jack Brooks      Mike Andrews

# Withdrawal/Redaction Sheet

## (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06b. Memo	Case Number 345329SS From President Bush to C. Boyden Gray Re: Attached article (1 pp.)	07/09/92	P-5	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Records Management, White House Office of (WHORM)  
**Series:** Subject File - C.F.  
**Subseries:**  
**WHORM Cat.:** CO072  
**File Location:** 287965SS to 365241

<b>Date Closed:</b> 12/20/2002	<b>OA/ID Number:</b> 00002-001
<b>FOIA/SYS Case #:</b> 1998-0099-F	<b>Appeal Case #:</b>
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THE WHITE HOUSE  
WASHINGTON

**DATE:** July 9, 1992

**FROM THE PRESIDENT**

**To:** Boyden Gray

URGENT!

Per the attached article, please give me  
facts on the White House.

Please advise by secure fax.

## Essay

WILLIAM SAFIRE

# Obstructing Justice

WASHINGTON

In 1958 Sherman Adams, Eisenhower's chief of staff, improperly called the S.E.C. from the White House to inquire about the status of an investigation into his friend Bernard Goldfine; that influential call led to scandal and prosecutions.

In 1989 Boyden Gray, President Bush's White House Counsel, told his aide Jay Bybee to call the U.S. Attorney in Atlanta to express White House interest in a criminal investigation that might embarrass Saddam Hussein.

That improper intervention — phone calls now remembered by the local prosecutor as "a few at the most," urging delicate handling from the highest level — fit into a pattern of obstruction of justice and lying to Congress we call Iraqgate.

Let's review the bidding in 1989, as George Bush and James Baker determined to abuse our grain export program to provide backdoor foreign aid to Iraq:

On Aug. 4, the F.B.I. raids the offices of an Atlanta bank channeling billions of dollars of taxpayer-guaranteed loans to Iraq. Despite evidence of skimming and diversion, on Oct. 2 President Bush signs N.S.D. 28 encouraging U.S. companies to sell Saddam nuclear technology.

On Nov. 6 the C.I.A. reports Iraq is using the Atlanta bank loans to purchase "military-related technology," though the politicized C.I.A. summary concentrates on the effect of publicity about this on U.S.-Iraqi ties.

During that first week of November, Gail McKenzie — the Assistant U.S. Attorney in Atlanta preparing an indictment that would embarrass Saddam Hussein's family — gets what she now tells associates were "a few at the most" calls from the White House reminding her of the "embarrassment level" of prosecution.

Ms. McKenzie tells Marilyn Muench of the Treasury Department, who also wants to know about the status of her case, of the White House calls; Ms. Muench tells Rachel Bailey, an economist monitoring the export credits to the uncreditworthy borrower, about the hard-to-forget calls; Ms. Bailey's notes were forced out of Treasury this week by Representative Henry Gonzalez.

On Nov. 8, Secretary Baker pressures the Bush interagency committee to ignore both nuclear warning and corruption evidence and O.K. \$500 million more to Iraq.

The "few at the most" calls from

Boyden Gray's White House office are now characterized as requests for "publicly available information" by the Bush Justice Department.

Let's be serious: When the President of the U.S. needs information about a criminal case, he asks his Attorney General, who knows how to inquire without influencing the prosecution. But when the President wants to influence the case, he has his Office of Legal Counsel call the local prosecutor from the White House.

That's how Ms. McKenzie knew not to indict a member of the dictator's family in Baghdad, and why she was willing to delay her indictment for a year. It suited the Bush-Baker benighted foreign policy for this case to be botched, and botched it was — with the White House calls intended to be kept secret.

Can Justice investigate its own manipulation? Gerrilyn Brill, the Atlanta team player now being used as spokeswoman for Ms. McKenzie, who seems to have mislaid her phone logs, asserts proudly: "We are not investigating a possible obstruction of jus-

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## Stop the Iraqgate cover-up.

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tice." Attorney General William Barr served with George Bush at the C.I.A.; his closest political pal is Boyden Gray, who initiated the corrupting phone calls.

This morning the Judiciary Committee chairman, Jack Brooks, will get the requisite 11 signatures on a letter pointing to "personal, political or financial conflict of interest" within Justice. Here is why it is urgent that he trigger the Independent Counsel Act this week:

Attorney General Barr could claim after 30 days that no evidence of wrongdoing existed, but such baffled cover-up would invite impeachment. After 60 more days — Oct. 7 — he could ask the courts for a 60-day extension, to Dec. 7.

On Dec. 15 the Independent Counsel Act expires, and George Bush wants it to stay dead. That means Judiciary must trigger the act now or it's back to the good old days of White House whitewashes. George Bush would investigate Iraqgate himself and — surprise! — find himself not guilty. □

# Withdrawal/Redaction Sheet

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06c. Cover Sheet	Case Number 345329SS Re: Cover sheet for memo from C. Boyden Gray to President Bush (1 pp.)	07/09/92	P-5	

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# WHITE HOUSE SITUATION ROOM

92 JUL 9 P4:41

PRECEDENCE: IMMEDIATE  
PRIORITY  
ROUTINE

RELEASER: \_\_\_\_\_

DTG: \_\_\_\_\_

MESSAGE NO. _____	CLASSIFICATION _____	CONFIDENTIAL _____	PAGES _____
FROM <u>John S. Gardner</u> (Name)	<u>2702</u> (Phone Number)	<u>                    </u> (Room No.)	
MESSAGE DESCRIPTION <u>MEMO FROM BOYDEN GRAY</u>			
TO (Agency) _____	DELIVER TO: _____	DEPT/ROOM NO. _____	PHONE NUMBER _____
<u>Phil Brady/Helsinki</u>			

**REMARKS:** Phil: This is very, very sensitive. It responds to a direct POTUS request to Boyden, and Lee Liberman was good enough to send it back through us. I'd send directly to President with no copies. Thanks. JG

UNCLASSIFIED UPON  
REMOVAL OF CLASSIFIED  
ATTACHMENTS  
bah 8/20/04

to POTUS  
7/90 Jw

Document Originally  
Attached to  
Previous Page

Pl. return  
to Boyden w/ the  
Sil. Km. cover note but  
noting it was forwarded  
to the (P) on 7/10  
& recently returned  
from the (P)'s  
Office.  
8/4  
TW

Document Originally  
Attached to  
Previous Page

THE WHITE HOUSE  
WASHINGTON

August 4, 1992

**FOR:** C. BOYDEN GRAY

**FROM:** PHILLIP BRADY  
Assistant to the President  
and Staff Secretary

- Information
- Action
- Let's Discuss

This was forwarded to the President  
on July 10 and recently returned  
from the President's office.

CF  
Case —