

CS

ID # 345329 CU

00072

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) / /

C. BOYDEN GRAY

Name of Correspondent: _____

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Iraq Controversy

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CUOFC	ORIGINATOR	92.07.09		C	92.07.09
CUGRAY	Referral Note: A	92.07.09		C	92.07.09
	Referral Note: 7/9/92 CBS Memo to POTUS.	7/9/92	CBS		
		/ /			/ /
	Referral Note:	/ /			/ /
		/ /			/ /
	Referral Note:	/ /			/ /
		/ /			/ /
	Referral Note:	/ /			/ /

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: _____ Individual Codes: _____
 Prime Subject Code: _____ Secondary Subject Codes: _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	_____	P-
	Time: _____		
DSP	_____	_____	Media: _____
	Time: _____		

SIGNATURE CODES:

- Cpn - Presidential Correspondence
- n - 0 - Unknown
- n - 1 - George Herbert Walker Bush
- n - 2 - George Bush
- n - 3 - George
- CLn - First Lady's Correspondence
- n - 1 - Barbara Bush
- n - 2 - Barbara
- n - 3 - Bar
- n - 4 - Mrs. Barbara Bush
- Cbn - Presidential & First Lady's Correspondence
- n - 1 - Barbara & George Bush
- n - 2 - Barbara & George

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memorandum	Case Number 345329CU From C. Boyden Gray to President Bush re: Iraq Controversy [Opened on Appeal, Document Follows.] 0/07/04, 2003-2241-A-18] (3 pp.)	07/09/92	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Records Management, White House Office of (WHORM)
Series: Subject File - General
Subseries: Scanned
WHORM Cat.: CO072
File Location: 331010 to 345329SS

OPEN ON PRA APPEAL
[DOCUMENT FOLLOWS]

*FILED BY DTC
04/02/2007.*

Date Closed: 8/19/2004	OA/ID Number: 00002-001
FOIA/SYS Case #: 1998-0099-F	Appeal Case #: 2003-2241-A-018
Re-review Case #: 2004-1908-S	Appeal Disposition: Released in Full
P-2/P-5 Review Case #:	Disposition Date: 10/7/2004
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE

WASHINGTON

July 9, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: C. BOYDEN GRAY *CBG*
COUNSEL TO THE PRESIDENT

SUBJECT: Iraq Controversy

In response to your note this morning, I want to bring you up to date on the situation concerning Iraq.

As you know, the Attorney General today received a request for appointment of an independent counsel from 20 Democrats on the House Judiciary Committee. See Tab A. Several components of the controversy surrounding exports and CCC credits to Iraq, and the supposed coverup of these matters, have also come up in the press. Here are the highlights.

1.) The call to the Assistant U.S. Attorney in charge of the BNL prosecution. In early November 1989, the Department of Agriculture wrote Stephen Danzansky seeking to resolve the question whether new CCC credits should be offered to Iraq. Agriculture supported granting the credits; OMB had reservations, noting in an attached letter that several investigations of the credit program to Iraq were underway involving several "quite serious" allegations. These investigations included a criminal investigation being conducted by the Atlanta U.S. Attorney into the Banca Nazionale del Lavoro (BNL) loans to Iraq.

The matter was channeled in a routine tasking sheet to Jay Bybee, a career Department of Justice attorney who had been in the White House for about five weeks as part of a temporary detail. John Schmitz may also have spoken with Jay about this assignment, but neither Jay nor John clearly remembers such a conversation. To the best of my recollection, as well as Jay's and John's, I knew nothing about it.

Jay called officials at the State and Agriculture Departments, among others. He also made two calls (so far as he can remember or his notes show) to the Assistant U.S. Attorney handling the BNL investigation, which was at that time still before a grand jury. The purpose of the calls was to determine if the U.S.

Attorney's office could shed any additional light on possible Iraqi abuse of the CCC program.

As a result of the information obtained in these calls and elsewhere, the CCC program was modified so as not to use BNL; ultimately it was terminated altogether so far as providing credits to Iraq.

Jay's call directly to the U.S. Attorney's office was outside normal channels. The inquiry should have gone through the Department of Justice. However, according to both Jay and the Assistant U.S. Attorney who spoke with him, no pressure was applied regarding the conduct of the BNL investigation. To the best of my recollection and Jay's, I never talked to Jay about this, and in fact I did not know until Thursday, July 7, 1992 that Jay ever called the Assistant U.S. Attorney investigating BNL.

2.) Altered documents sent to Congress. In response to a Congressional request in the autumn of 1990, Dennis Kloske, the Undersecretary of Commerce for Export Administration, furnished information concerning export licenses for goods to be shipped to Iraq. In a statement to the House Judiciary Committee on January 25, 1992, Kloske acknowledged some of the information was altered before he submitted it. The matter has been referred to the Department of Justice. There has been no evidence, including from Mr. Kloske, that either Mr. Mosbacher or anyone at the White House or at the NSC knew that Mr. Kloske had altered the information before submitting it to Congress.

Some confusion on this subject has arisen because Mr. Kloske has noted that Secretary Mosbacher, the NSC, and my office were involved in discussions concerning another aspect of Congress' request for information: whether to make available the views of various departments with respect to individual export licenses. The Department of Commerce advised Congress that those views would not be included in the documents submitted while interagency discussions were ongoing; after that time, the information was provided to Congress within weeks. That practice was in keeping with similar practices in past administrations, was openly made known, and was not in any way misleading, much less a "coverup".

3.) Allegations of attempting to "coverup" the Iraq controversy through invocation of executive privilege. Allegations of a coverup of U.S. policy toward Iraq, or its implementation, are

untrue. The Administration has been exceptionally forthcoming on the subject: its officials have testified repeatedly before Congress and have provided thousands of pages of documents.

You have not invoked executive privilege on the subject. Indeed, you have authorized invoking the privilege only twice in your term as President, never with respect to Iraq. Instead, we have been following the longstanding practice when Congressional requests raise executive privilege concerns. This procedure routinely involves meetings among Administration lawyers and a process of accommodation whereby these lawyers reach agreement with congressional committees on the details of disclosure. Meetings of the so-called "Rostow Gang" took place in this context. Those meetings and other actions taken in accordance with established procedure did not result in any recommendation by me that you invoke privilege, much less its actual invocation.

This controversy may have started as a legitimate question about the policy of attempting to bring Iraq into the family of nations rather than fix on a course of inevitable military confrontation. Unfortunately, it has become something much different. It is now a continuation of the attempt to criminalize policy. It is also an attempt by some of the Democrats principally involved to (1) pillory the Administration for doing what they wanted at the time, i.e., attempt to deal with Iraq using economic rather than military means, and (2) obscure the fact that, when it became clear to the entire world that military force could no longer be avoided, they would have denied you the authority to use it.

For your information, of those Congressmen who signed the request for an independent counsel, seven (Brooks, Edwards, Hughes, Glickman, Berman, Levine and Hoagland) voted in favor of the use of force in the Gulf. The other 13 voted against it.

You should also know that at the time the Administration was deciding to suspend the CCC program, the Chairman of the House Judiciary Committee wrote a letter (Tab B) acknowledging "irregularities" in BNL, but asking nonetheless when the BNL inquiry "as it pertains to Iraq [might be] coming to a conclusion," thus to make possible a half-billion dollar credit for Iraq to enable that country to purchase agricultural products grown in the Chairman's district.

cc: Samuel K. Skinner

THE WHITE HOUSE
WASHINGTON
ORM OPTICAL DISK NETWORK

ID# 345329cu

Hardcopy pages are in poor condition (too light or too dark).

Remainder of case not scanned.

Oversize attachment not scanned.

Report not scanned.

Enclosure(s) not scanned.

Proclamation not scanned.

Incoming letters(s) not scanned.

Proposal not scanned.

Statement not scanned.

Duplicate letters attached - not scanned.

Only table of contents scanned.

No incoming letter attached.

Only tracking sheet scanned.

Photo(s) not scanned.

Bill not scanned.

Comments:

MAJORITY MEMBERS

JACK BROOKS, TEXAS, CHAIRMAN
 DON EDWARDS, CALIFORNIA
 JOHN CONYERS, JR., MICHIGAN
 RONALD L. MAZZOLI, KENTUCKY
 WILLIAM F. FUGHES, NEW JERSEY
 WES STUAR, OKLAHOMA
 PATRICIA SCHROEDER, COLORADO
 DAN GLENNAN, KANSAS
 BARRY FRANK, MASSACHUSETTS
 CHARLES F. SCHUMER, NEW YORK
 EDWARD F. RICHARD, OHIO
 HOWARD L. BEAMAN, CALIFORNIA
 ACE SCHUELER, VIRGINIA
 HANLEY G. STAGGERS, JR., WEST VIRGINIA
 JOHN BRYANT, TEXAS
 WEL LEVINE, CALIFORNIA
 STORIS E. BANGHEIMER, ILLINOIS
 CAMEL A. WASHINGTON, TEXAS
 PETER HOAGLAND, NEBRASKA
 MICHAEL A. EGPETER, OREGON
 JACK REEB, BRITAIN

ONE HUNDRED SECOND CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

2138 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-8218

July 9, 1992

MINORITY MEMBERS

HAMILTON RAY JR., NEW YORK
 CARLOS J. MOORHEAD, CALIFORNIA
 HENRY J. HYDE, ILLINOIS
 F. JAMES BENDERBROUWER, JR., WISCONSIN
 PAUL MCCOLLUM, FLORIDA
 GEORGE W. GERALD, PENNSYLVANIA
 HOWARD COBLE, NORTH CAROLINA
 LAMAR S. SMITH, TEXAS
 CRAIG T. JAMES, ALABAMA
 TOM CAMPBELL, CALIFORNIA
 STEVEN SCHIFF, NEW MEXICO
 JIM RAMSEY, MINNESOTA
 GEORGE ALLEN, VIRGINIA

MAJORITY=225-3001

MINORITY=225-6000

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

TEL NO. 001 9152 12-21 NO.001 P.02

The Honorable William P. Barr
July 9, 1992
Page 2
.....

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

Chely Sab

Q. J. Nagz

Tom Flikner

Donald J. Bunn

Pat Schroeder

Step E. Augustine

Haley D. Hoag

Barney Frank

Madeline

Mike Synar

Bill Hughes

John Long

John Bryn

Neil Levine

Peter Hongland

Jack Reed

Christina

Mike Kopetke

05-1000-2
KOWBEK

322 CANNON HOUSE OFFICE BUI
WASHINGTON DC 20515
(202) 225-7508

FEDERAL BUILDING
515 RUSK
HOUSTON, TX 77002
(713) 229-2244

1001 E SOUTHMORE
SUITE 810
PASADENA TX 77502
(713) 473-4334

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